# THE FINANCIAL POST

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## BUSINESS NEEDS REAL LEADERSHIP IN TRYING PERIOD

### Appointment of Flavelle on Commerce Board Important

### UNCERTAIN OUTLOOK

### Basic Conditions Continue to Improve; Failure to Reduce Taxation and Changes in Tariff Disturb Industry

Canadian basic and natural conditions continue to improve. April collections have been generally good. Agriculture, particularly in the West, is in a markedly better position than a year ago and sentiment is improving. Mining and forestry products this year promise to break all records. If present prospects ae realized, the volume of Canadian business in 1924 cannot be otherwise than satisfactory, and if optimistic opinions of the good effects on the world's business following the adoption of the Dawes report—as seen by professional students of world economics—are worth anything, we can expect next year to see the opening of a long era of industrial prosperity.

Notwithstanding this, the disappointment is growing over the government's neglect to reduce national expenditures and taxations, and the pessimism, created by the recent reductions in duty and fears for the future, are spreading in industrial circles. It is now being argued that the manufacturers of implements of production, agricultural and otherwise, will not suffer nearly as severely as will scores of other manufacturers who sell them their supplies. The leading implement people lost no time in sending their buyers to scour the United States fields to purchase these articles at less than the Canadian manufacturers could supply them, and the latter are now worrying. The week has also brought more complaints of European competition, particularly in textiles and products thereof.

At Ottawa the politicians, and throughout the country the agitators, are increasing the animosities and widening the breach between the great producing classes. The view has been repeatedly expressed in these columns that a distressing business situation prevailed in Canada that existed in no other country in the world; that it was due to misunderstandings and that these misunderstandings were largely the fault of leaders in banking and business, the men who in the last few years spoke for and laid down the policies of the Canadian Bankers' Association, the Canadian Manufacturers' Association and some minor bodies. It has been pointed out that the country could not profit from its great resources and splendid peoples and develop its industries until antagonisms were cut out and the classes brought together on common ground and brought into agreement on definite national policies. The first step and the chief essential is big, understanding leadership, which will give confidence, bring about co-operation among the conflicting interests, give national leadership and encourage enterprise.

**Flavelle's Appointment**

The action of the directors of the Canadian Bank of Commerce last week in creating a chairmanship of the board and their success in inducing one of the two or three ablest business financiers in Canada, Sir Joseph Flavelle, to accept the position, is an event and a development in this direction that should have far-reaching results. It is a recognition of the need for dealing with the present unsatisfactory national situation in a big way. Sir Joseph should be able to curb any tendeney toward petty jealousies and dissensions among the big professional bankers which from time to time have tended to prevent desirable common action.

Banking is the highest form of business activity and a directorship in a leading bank can well be, under our system, the reward for and a recognition of, a successful and honorable business career. To a great extent this has been the case, and if one wanted to find the leaders of Canadian industry he could not do better than take the names on the board of one of our leading banks. Generally speaking, you will find men there whose business experiences have made them safe, if conservative, in policy, democratic in attitude and sound in their advice on public questions. This has been particularly so in the past. These men were primarily trustees for their depositors,

(Continued on page 4)

## European Textile Industries Flourishing

Czecho-Slovakian textile industries are making great strides, also their machinery industry, especially agricultural equipment and implements. The latter are most flourishing, and works such as Skoda are fully occupied with orders from England, Spain and America. One of the largest of the Skoda factories actually proposes to introduce night shifts to keep pace with the work in hand.

## Bulk of the Mineral Revenue Spent For Goods

The gross value of Ontario's mineral production for 1924 has been conservatively estimated by Balmer Neilly, secretary of Ontario Mining Association, at $70,000,000. Of this amount he estimates that $55,000,000 will be used to purchase machinery, supplies and pay labor. The latter will in turn spend their portion on household and personal supplies.

## CASE FOR LOWER RATES ON COAL BEING PREPARED

### Western Operators Think Strike Planned to Keep Price Up

The idea of having the Railway Commission rule on the point as to whether the rate charged by the railways for carrying coal from Alberta to Eastern Canada is a discriminatory one, as compared with the rate charged for wheat, has not been dropped. Some weeks ago it was announced that the Ontario Government would take steps to secure a ruling on this question. The matter has been taken actively in hand under instructions of Premier Ferguson. But in order that the case for a reduced rate on coal may be effectively presented it is highly important that the application be backed up by extensive information and an inquiry into the whole matter is now being made by an expert in transportation matters. He will back the application before the commission in the event of it being deemed advisable to go through with it.

It is realized, however, that the freight rate is only one factor in the situation and that if Alberta coal is to compete successfully with the imported product in Central Canada it is desirable also to reduce production costs. In this connection the present strike of the miners in Alberta does not brighten the outlook. In fact there is an opinion held among the Western operators that the strike, based on demands for wages much higher than paid in Nova Scotia and other fields where living conditions are similar, has been encouraged for the purpose of maintaining or increasing the Western costs of production and hindering the successful marketing of this coal in the East where it competes with the American product.

## Winnipeg Electric Will Do Financing at Home

From Our Own Correspondent.

MONTREAL.—A. W. McLimont, general manager of Winnipeg Electric, came back from England last week, and was reported by various newspapers as having been there to arrange for the re-financing of some of the company's early maturing bond issues. This was quite incorrect. Winnipeg Electric has not planned any new financing in England.

The company has a certain amount of bonds of its subsidiary, the Winnipeg Selkirk and Lake Winnipeg Railway Company, maturing in 1925, but these are all held in Canada, and the present outlook is that they will be re-financed in Canada.

While in England, Mr. McLimont took up with debenture holders certain re-arrangements of their security, but this was to facilitate Canadian rather than British financing.

## QUEBEC HAS POWER; ONTARIO IS SHORT

### Early Development of St. Lawrence Expected as Result of Power Famine

From Our Own Correspondent.

MONTREAL.—That Quebec is more favorably situated as regards power supply than Eastern Ontario seems evident from negotiations between the town of Campbellford, Ontario, and an American concern. This company, a Buffalo outfit, believed to be one of the Beaver Board group of companies, is willing to establish a pulp mill at Campbellford if 2,500 h.p. of continuous cheap power can be assured. But the Ontario Hydro-Electric Commission is seemingly unable to make up the deficiency without curtailing power supply to other communities, and it is possible that this and other industries may come to Quebec, where power is easily obtainable at low rates.

It is anticipated that the situation in Eastern Ontario will bring about early development of at least the Canadian side of the St. Lawrence or of some strictly Ontario site on the Ottawa River. Private capitalists in the United States are ready to co-operate with Ontario in the development of the St. Lawrence, but one of the questions involved is the export of power. The Americans would like a gigantic development of 1,500,000 to 2,000,000 h.p., while Canada could hardly utilize its share of such a large amount of power for some years to come. Yet Canada is unwilling to permit the export of such power, preferring to conserve it to aid in Canadian industrial growth.

## MILLION LOSS ON MANITOBA RURAL CREDIT SCHEME

### Government Has Written Off $250,000, While Outlook is Not Bright

### HELD FORCED SALE

### Mortgage Companies Report That Since Turn of Year Collections Have Been Heavy

By Staff Correspondent.

WINNIPEG.—Manitoba is facing a loss of $1,000,000 on its rural credit scheme. Just recently, about the time the house closed, $250,000 was written off. In other words, a loss of that amount was definitely assumed. Banks and mortgage companies in the province regard the situation as serious. This is especially true of the mortgage companies who condemn the hit-and-miss method of lending on the part of the government. At the same time they point out that, despite Manitoba's sorrowful experience, Alberta is going in for a similar scheme.

Collections on the government scheme are reported to have been very poor. There has been a suspicion that some farmers who could pay would not and, to set an example, it is understood that a few sales were held. This experience proved that the sales were no better than continuing the loans for a time and taking a chance on the farmer paying up later. In one case it is stated that the government's claim was $16,000. The sale realized $6,000. That it was an utter failure is evidenced by the fact that horses brought $12 at the sale and other stock in proportion. At another sale, it may not have been a government sale, but it serves to show how matters stand, the farmer got $100 net for a carload of cattle.

In direct contrast with the government experience is that of the mortgage companies in their carefully selected loans. Up to the first of the year interest and principal payments had been most disappointing. There was much speculation as to what the farmers had done with their crop, whether they had sold or stored, and if the former, what had become of the money. Subsequent events prove that the big majority stored for payments since the first of the year have more than doubled the same period of 1923, while in March they were over three times the payments of March, 1923. The farmers are paying up well and they are few who are not taking care of their interest charges at least. The mortgage companies are hoping for another big crop this year. They say production on a scale similar to 1923 will do a great deal to stabilize the West.

## Belgo-Canadian Sells Its Montreal Properties

From Our Own Correspondent.

MONTREAL.—Belgo-Canadian Paper Company, which is a large holder of Montreal real estate, is liquidating its properties in this city. Some sales have been made and further properties are on the market. No attempt is being made to get rid of the property hurriedly, for Belgo is not in need of cash, and will not sacrifice its realty holdings.

The properties include many lots at Longue Pointe, and further lots in the Park Avenue Extension. They are not required for the purposes of the company, but were acquired in connection with various transactions of the companies that were predecessors of the present Belgo-Canadian Paper Company.

## Preference and Invisible Bounty, Flooding Canada With Imports

In the history of the textile trades there have never been so many British travellers in the Canadian field as at the present time. They are taking advantage of the preferential tariff and the "invisible bounty," created by valuing goods for duty purpose on the basis of exchange value of the currency of the exporting country, and are aggressively pressing for orders for woollen goods, cloths, yarns, etc. At the same time the "invisible bounty" on French, Belgian and other European manufactured products, being much greater in the case of these currencies than the pound sterling, is resulting in heavy importations of dresses and other wearing apparel. It is reported that one big Canadian house recently placed an order in Paris for $100,000 with others buying on a proportionate scale. A Canadian manufacturer of ladies' wear says that women's dresses from France are offered at Toronto stores at less than they could be made for in Canada, paying Canadian wages. He adds that his company has been able to keep in business simply because two competing manufacturing concerns have been forced into liquidation.

If Canadian industry is to continue to pay Canadian wages and compete with European products it is evident that something must be done to offset the advantage offered the foreign exporter because of the reduction in duty based on depreciated currencies. The costs of the Canadian manufacturers are based on a scale established in the United States and they are able to compete with American products, but with European goods it is another matter.

The following figures have been compiled by the Canadian Woollen Manufacturers' Association to show imports from Great Britain as compared with imports from the United States:

| Commodities | From U. K. | U. S. |
|---|---|---|
| Woollen Yarns .... | $3,755,890 | $ 77,568 |
| Carpets and Rugs .. | 1,237,351 | 87,885 |
| Woollens, undyed .. | 1,900,569 | nil |
| Tweeds .. .. .. .. .. | 4,407,505 | 70,090 |
| Worsteds and Serges | 9,407,249 | 351,416 |
| Wearing Apparel .. | 5,745,297 | 1,247,996 |

Further disturbance to Canadian industry is threatened by the abolition of preferential tariffs on certain manufactured products in the British market. The automobile industry which has been largely built up in Canada to take care of this business is particularly affected. Statements by George McLaughlin of General Motors, and T. A. Russell, of Willys-Overland, Limited, are to the effect that the output of Canadian automobile plants will be seriously affected, with attendant unemployment. Fifty per cent. of the output of General Moters at Oshawa has been for export and Canda's biggest automobile customer has been Great Britain, according to Mr. McLaughlin.

Although the budget has been brought down at Ottawa it is not too late to consider some step to repair the situation which is resulting in the Canadian market being flooded with European goods because of the "invisible bounty," and the attitude of the British labor government against any form of preference for the Dominions might well lead to serious consideration of the advisability of the continuance of British preference by Canada to the detriment of Canadian industry.

## Revolution Urged in Material Sent Soviet Agents in Canada

### Russians Tried to Bluff the Government but Officials Had the Necessary Evidence—May be Expected to Continue Their Propaganda Activities

Special Correspondence.

MONTREAL.—The denial made in the press by the head of the Russian Soviet trade mission of the charge that it has brought propaganda material to Canada will not go down. The facts are too well known to the federal authorities. The fact is that these gentlemen were caught "red" handed. Nor can it be pleaded that the material was sent here without their knowledge. The truth is that one of the members of the delegation, when asked to deliver an address to a number of Russians in Montreal, said that he would have to delay doing so until the literature arrived. Well, it came, but the Russians did not get it. The authorities saw to that.

Two lots of literature came to Canada addressed to the members of the delegation. The first came through the registered mail, and when the plea of diplomatic immunity was denied the Russians it was sent to the customs officials, who went through it. A translation showed a catechism in which Christ and the Christian religion were subjected to gross ridicule; there was also a stirring exhortation on behalf of the revolution under the Third Internationale.

The second lot of stuff came in 20 cases which were in bond. It was subjected to careful examination by the customs and police officials and found to contain quite a little propaganda. There were among other things some flaming "red" posters.

THE FINANCIAL POST'S information is that when the head of the trade mission was called to Ottawa and asked to explain the existence of this propaganda material he at first denied it. Unfortunately for him, however, one of the ministers unrolled a poster, and said: "What about this?" Confronted by this, it was useless to make further denials.

The Russians were given a good plain talk and told what would happen to them if this kind of work went on. They were reminded that under the arrangement made between the Russian Soviet government and the British government the representatives of the former agreed not to carry on propaganda within the British Empire, and they were given to understand that the government would insist on this being kept.

The upshot of the whole matter is that the Russians may have their bona fide text books, and books and pamphlets of a genuinely informative character; but they can't have their propaganda. Our information is that they were watched from the very day they landed in this country, and, knowing their history in England, India, and elsewhere, one may be sure that they will continue to carry on "Red" activities, receiving supplies by underground channels, or having them printed in Canada. The Dominion authorities can well follow the example of France in dealing severely with them.

## Asbestos Corporation Head Asks Government to Regulate Industry

From Our Own Correspondent.

MONTREAL. — Government intervention in the asbestos industry to regulate production and prices was suggested by W. G. Ross, president of Asbestos Corporation of Canada, at the company's annual meeting this week. Mr. Ross was unable to forecast any improvement in earnings for his company, and pointed out that disappointing results similar to last year would continue just as long as present conditions remained unchanged. Present conditions were affecting the profits of the corporation, said Mr. Ross, and adding to the losses of other companies in the district, resulting in one of them being placed in the receiver's hands and another closed for an indefinite period.

Mr. Ross discussed the difficulties ahead of any scheme of co-operation among the asbestos companies to improve their position. Such a scheme was difficult, said Mr. Ross, because it would not be possible to get full co-operation from the mines. The mines owned by American manufacturing companies would not co-operate. These mines were throwing their surplus material over their own requirements on the market, preventing others engaged in the industry from getting living prices. Another drawback to a scheme of co-operation between the companies was the fact that the higher grades of asbestos were affected by European and Empire conditions where labor costs were 30 cents a day, as against $3 in Canada. In the third place, some of the mines were determined to keep operating at any cost, thus making it undesirable to deal with them.

The only remedy was government intervention for the regulation of production and prices, urged Mr. Ross. This would place all the mines, both American and Canadian companies, and both miners and consumers on the same basis.

Mr. Ross made a protest against the Quebec provincial royalty tax on asbestos, which, he said, put the asbestos companies in the position of being the most drastically taxed industry in the world.

Referring to his own company, Mr. Ross said that the new mill at the King property was working very satisfactorily, both as to output and low cost of production. He added: "The other properties were never in better shape, and while the earnings this year will not be any better than those of last year, owing to prices being now even lower, your company is in a position to hold its own without worrying over bank or other indebtedness."

## CANADA BEATS U. S. AS WHEAT EXPORTER

### Effect of American Tariff is That Canadian Product Goes to Foreign Markets

From Our Own Correspondent.

OTTAWA.—Returns received here reveal in a striking manner the extent to which Canada is outdistancing the United States as a wheat producer. In March the U. S. exported 2,957,710 bushels of wheat, as compared with 4,290,944 for the same month last year. Canada in March exported 13,446,100 bushels as against 6,613,612 bushels in March last year.

During the nine months ending March the United States exported $74,808,474 of wheat as compared with $161,595,968 for the same months in the preceding year. On the other hand, the value of Canada's exports of wheat during these months jumped from $111,000,000 ion 1922-23 to $158,000,000 during these months ending March last.

The value of wheat flour, however, exported by the United States during these last nine months was $72,062,381, an increase of $5,000,000 over that for the same months of the preceding year. Canada's exports of flour during these last nine months were $40,814,030, or $108,000 less than for the same months of the preceding year. It is believed that United States increased her exports very largely to Germany, which is a better buyer of flour than of wheat.

At that United States exports of wheat flour during March at 1,425,909 barrels were only 28,000 more than those from Canada. In the case of the U. S. this was a decrease of 4,000 bbls. from that of March, 1923, but in the case of Canada it was an increase of 177,000 barrels.

## MOVE TO RETURN GERMAN PROPERTY SEIZED BY TREATY

### Canada's Credit At Stake, Say Those Who Want Money Given Back

### GERMANS ACTIVE

### Agents for German Interests Backing a "Pity the Poor Germans" Movement at Ottawa

From Our Own Correspondent.

MONTREAL.—Should Canada return to German people their property in this country, seized under the terms of the Treaty of Versailles? This question is certain to become a live issue in Canada shortly. The United States has already decided to return to Germans all property up to $10,000 per individual and South Africa has made a compromise arrangement. At the moment Great Britian, France and Belgium are sitting pat and showing no indication of being likely to sympathize with any "pity the poor Germans" appeal.

Already in Canada the head of one large bank has declared that Canada, for the sake of its credit standing, should return German property to its pre-war owners. Some officials at Ottawa are favorable towards such action and certain Western members of Parliament are known to be favorable. A considerable amount of quiet work has been done at Ottawa by at least one agent representing important German financial interests to the end of having this property returned.

**Arguments For Return**

The chief argument for the return of German property is that there is no precedent in history for the "confiscation" by one nation of the property of citizens of a country with which it has been at war. Canada, the proponents of this policy of return say, benefitted greatly from the investment of German money before the war and is likely to benefit from the investment of foreign money in the future. It hurts Canada's credit to have seized the investment of these German people in Canada and it is moreover unfair to the investors themselves, is the claim made.

It is not a matter that should affect our patriotic sentiments, proceeds the argument, but rather a banking

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## Commodity Prices Down But Wages Are Resisting

NEW YORK.—A significant development in recent weeks has been the apparent stabilization of commodity prices. After a decline lasting for several months, one after another of these have reached a level from which, in spite of declining business, they do not recede.

One important item that has made little or no progress towards stabilization, however, is wages. Of course, total wage payments are smaller than they were because of curtailed operations but the wage rate is stubbornly adhered to. By what logic this can remain unaffected when all else has yielded to economic pressure, business students do not see. Until there is some modification in this direction which would be to the advantage of all concerned, the situation cannot be regarded as entirely sound.

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# MOST COUNTRIES DEMAND IMPORTS INDICATE ORIGIN

## Exporters Should Watch Laws of Other Countries On Marking

## "MADE IN CANADA"

## Only a Few Countries Where it is Necessary to Show This Phrase on Products

**From Our Own Correspondent.**

MONTREAL.—Canada enforces marking laws in connection with printed matter and lead pencils. Attempts to enforce more stringent marking laws to cover all classes of merchandise imported have fallen through in this country. Nevertheless, Canadian exports to many other nations are subject to marking laws, and it is well for every manufacturer seeking foreign markets to know these foreign marking regulations, and by following them to avoid trouble.

The United Kingdom requires that imported goods that bear the name or trade mark of a dealer or manufacturer in the United Kingdom must have the country of origin shown. But if there are no trade marks or descriptive marks on the goods no mark of origin is required. The Irish Free State has followed British marking laws.

### Australia's Marking Laws

The British West Indies have adopted no such regulations to date, but Australia has modified marking laws. One of their regulations provides that the importation is prohibited of articles labelled in any language but the ordinary language of the country of origin, unless the country of origin is also shown in English. Thus, Canadian goods would not have to be marked "Made in Canada" unless they came under another regulation similar to that in force in Great Britain, namely, that an Australian dealer's name or trade mark is attached. Then the country of origin must be shown. New Zealand has a provision similar to the British and Australian regulation.

In British India, and Ceylon, marking laws are rigorously enforced, and heavy fines imposed for infringement. They are aimed more against the United States and foreign countries than against British countries, and a reading of the rules seems to indicate that Canadian goods would not have to be marked "Made in Canada."

South Africa, Newfoundland, New Zealand, and a number of other British colonies, have followed British marking laws.

### Laws On The Continent

Few countries of Europe have definite requirements for marking of imported merchandise with country of origin. Many of them, however, have specific regulations for showing indication of origin on particular types of goods, such as pharmaceutical products and canned foodstuffs.

France prohibits the entry, warehousing, transit, and circulation of all foreign merchandise, natural or manufactured, bearing on its wrappers, cases, bales, envelopes, bands, labels, etc., a trade-mark, name, sign, or any other indication which states or implies that such merchandise is of French manufacture or origin; or of any goods which proceed from a place having the same name as a place in France, unless the name of the country of origin and the word "Importé" appear in distinct characters in connection with the name of the locality. In general, the French colonies follow the French customs regulations.

The marking regulations of Italy require tin containers of imported canned fruits, vegetables, fish, and meat products to be indelibly stamped to show the nature, composition, and net weight of contents, name and location of the manufacturer, together with a statement that the pure-food requirements have been fulfilled in the country of origin. The term "indelible" has been defined as stamping or embossing the tin, enameling or treating with fire, or other method of offering equal guarantee of indelibility.

Special provisions prohibiting the use of false indication of origin on imported merchandise are in effect in Denmark.

Czechoslovakia prohibits the importation of goods having misleading indications of origin.

Norway, while not prohibiting the importation, prohibits the sale of goods marked in any manner which is liable to any misunderstanding as to place of origin.

Articles imported into Sweden, if marked in Swedish, must bear the word "Import," together with the name and address of thse foreign maker.

Switzerland requires an indication of origin on matches, certain food products, and coloring matter intended for use in foodstuffs.

It is not necessary to mark goods imported into Germany with an indication of origin, but misleading statements in regard to country of origin are prohibited.

In the South or Central American countries there are no general requirements for marking foreign goods with an indication of the country of origin, but in most of them, as in the case of the European group, special labeling requirements exist for certain products, such as canned foodstuffs, pharmaceutical and toilet preparations, etc. Paraguay particularly requires that pharmaceutical specialties must bear a clear indication of the country from which they are imported or in which they are manufactured.

In Brazil, if labels in the Portuguese language are used they should be accompanied by a definite statement of the country of origin. The use of Portuguese is regarded as implying that the goods are of Brazilian origin.

Argentine marking laws are now undergoing revision.

The use in Mexico of marks on domestic goods which state or imply that they are of foreign origin is prohibited. Mexican-made merchandise must be marked in such a way as to indicate its domestic origin.

Other than the countries treated under previous groups, it is generally understood that the countries of the Orient, that is, China, Japan, Dutch East Indies, Siam, and the Philippines, have no special regulations for the marking of country of origin on imported merchandise.

# MACHINES REQUIRE ADULT EMPLOYEES

## Boys and Girls Should Take Technical Course Before Entering Factories

The Ontario Branch of the Canadian Manufacturers' Association made a special study during the past year of the Adolescent School Attendance Act, based on information received from 250 manufacturers located in 65 places.

"Over half the manufactures who responded do not employ adolescents under the age of 16, the general statement being made that it was contrary to their policy to do so. In most cases where adolescents were employed it appeared that there were very few in each industry, and there were special circumstances in each case giving rise to their employment. If attendance at part-time classes became compulsory, the opinion was generally expressed that the employment of these young people would be placed under restraint, because of the interlocking of processes requiring the presence of all employees while production is in progress. It may be inferred from this study that the greater use and perfection of machinery is adapting employment conditions to matured persons, and that boys and girls who propose to enter industrial employment would be well advised to attend courses in technical schools until they pass the school age."

The report of the Executive Committee of the Ontario Division covered various subjects. It was announced that the association would make representations as to the business tax before the special commission which is to revise the Assessment and the Municipal Acts.

# TARIFF INSTABILITY HURTS BUSINESS

## Business Head Discusses National Affairs In Report To His Shareholders

**From Our Own Correspondent.**

MONTREAL.—Stability in tariff legislation and reduction in taxation must come if there is to be broad business improvement, sums up the opinions expressed to shareholders of Canadian Fairbanks-Morse in the annual report of the president, Thomas McMillan.

This habit on the part of corporation executives of discussing matters of national interest in shareholders' reports is growing in Canada. Probably it is to be highly commended. The profit and loss accounts of business institutions have a close link with tariffs, taxes, and trade, and it is wise for corporation heads to make political leaders and the public generally realize the connection between government policies and shareholders' dividends.

Mr. McMillan seems to hint that conditions in Western Canada are far from satisfactory, for he points out that during 1923 the Canadian Fairbanks-Morse completed the liquidation of its stocks of tractors, separators and collateral lines sold largely in the agricultural districts of the West, and he stated that "it is the intention for the present to confine sales in such sections principally to goods of F.-M. manufacture." Nevertheless, there has been some improvement in the West, for Mr. McMillan points out that the company's outstanding accounts on the prairies are being reduced as conditions in that part of the country improve. Fairbanks-Morse has set up a reserve of $210,000 against accounts and bills receivable mainly on account of the difficulty of making collections in Western Canada.

On the subject of tariff and taxation, Mr. McMillan says:

"The situation in Canada at the moment is somewhat unsettled owing to proposed changes in the tariff. If these changes become operative certain industries will undoubtedly be adversely affected and considerable alarm and unrest prevailed throughout the industrial sections of the country as to the ultimate result of the present proposals, and of the further reductions which are demanded by the farming community. The farmers on the other hand look for some relief through these changes by way of reduced prices on implements and other manufactured goods used in crop preparations and harvesting operations.

"Present conditions in Canada demand a stable tariff policy which will afford to established home industries that measure of assured protection which will guarantee sufficient profit to warrant the confidence of investors. On the other hand the country might benefit by such concessions as may be granted to those engaged in agricultural and other pursuits who have latterly been suffering owing to the low prices obtained for their products.

"A vigorous endeavor should be made by those entrusted with the government of the country to reduce the present burden of taxation which acts as a deterrent to desirable immigration and to the profitable conduct of all classes of business throughout the Dominion. The vast resources of the country and the character of its population will, however, warrant the confidence that those phases of present conditions which are unsatisfactory, will ultimately be overcome and a measure of former prosperity restored."

# EXPORTS IN SOME LINES SHOW FINE RECORD FOR 1924

## No Let-up in Motor, Flour, Paper or Lumber Shipments

**From Our Own Correspondent.**

MONTREAL.—No matter how business goes there are certain lines of trade in Canada that have shown the ability to keep up export activity and to grow in export importance. They are contributing in very large measure to keeping employment and business conditions in Canada on a satisfactory level. Some of the industries that have been continuing their notable growth in exporting are automobile manufacture, milling, pulp and paper manufacture, lumbering and mining. In these fields, and, to a lesser degree, in some other fields, the export figures are decidedly encouraging.

Canada exported 15,396 motor trucks in the 1924 fiscal year, as against 3,720 in the previous fiscal year. Canada exported 54,522 passenger automobiles in 1924 (12 months to March 31) as against 45,108 in 1923. These two items alone provided an increase of $6,000,000 in Canadian exports in the twelve months. Including bicycles and various other vehicles there was a nice increase of $9,000,000 in this class of export business.

The March figures of automobile exports are notable in providing the high water mark for any month to date in automobile exports, a total of 8,566 cars having been exported. There may be some significance in the fact that 2,910 of these cars went to Australia, and a goodly number in addition to New Zealand, two countries that are large users of Canadian cars, but which have not bought as many cars from Canada as from the United States. It will be interesting to watch the monthly trade figures to see if the large exports to Australia continue. Canada exported automobiles to 54 countries in March, and Canadian automobiles are now getting the widest distribution of any product of this country.

Pulp and paper exports are dealt with elsewhere in this issue. Exports of Canadian wheat were very large in 1923-24, because of the excellent crop of the Western prairies. In the twelve months to March 31, Canada exported 257,000,000 bushels of wheat, 42,000,000 bushels more than in the previous year. Wheat provides the largest single portion of Canadian exports, the value of the quantity shipped abroad in the year being $268,000,000, an increase of $15,500,000 over 1923.

In the milling industry there was a decidedly favorable turn of affairs during the past year. Canadian flour mills sold 11,715,000 barrels of their product abroad in the twelve months' period, as against 10,227,000 in the previous year, the increase in valuation being from $60,000,000 to $62,800,000. March was a month of reassuring figures, for exports totalled 1,400,000, as against 1,100,000, and the valuation increased $5,440,000 to $7,100,000.

Canadian trade in 1923-24 fell just short of the two-billion dollar mark, and represented an increase of $200,000,000 for the year. The favorable balance of $180,000,000 was an improvement of about $17,000,000 on the previous year's figures.

Following are the exports and imports for the month of March, and for the fiscal year, with comparisons:

| | Mar.,'24 | Mar.,'23 | Mar.,'22 |
|---|---|---|---|
| Exp. | $92,429,774 | $76,557,599 | $59,539,313 |
| Imp. | 86,922,203 | 91,881,427 | 79,337,378 |
| Bal. | x$5,507,571 | †$15,323,828 | †$19,798,065 |
| Total trade | $179,351,977 | $168,439,026 | $138,876,691 |

**Twelve Months Ended March**

| | 1924 | 1923 | 1922 |
|---|---|---|---|
| Exp.— | $1,045,141,506 | $ 931,451,443 | $ 740,240,680 |
| Imp.— | 893,335,491 | 802,535,043 | 747,672,984 |
| Bal.— | x$151,805,565 | x$128,916,400 | †$ 7,432,304 |
| Total trade— | $1,938,476,547 | $1,733,986,486 | $1,488,003,664 |

x—Favorable. †—Adverse.

The following table shows the exports and imports for the month of March:

| | Imports | Exports |
|---|---|---|
| Agric. prod. | $18,881,506 | $29,865,281 |
| Animals, etc. | 4,512,129 | 11,425,306 |
| Textiles, etc. | 17,184,769 | 566,819 |
| Forest prod. | 4,237,037 | 27,704,085 |
| Iron and steel | 17,016,935 | 8,008,808 |
| Other ores | 4,780,286 | 9,410,511 |
| Non-metals | 13,778,961 | 2,202,797 |
| Chemicals, etc. | 2,630,615 | 1,542,951 |
| Miscellaneous | 3,899,967 | 1,703,216 |
| Totals .. .. .. | $86,922,203 | $92,429,774 |

# TARIFF RULINGS

## Canadian and Foreign Decisions of Interest to Exporters and Importers

**Ottawa.**—Duty on rum imported under British preferential tariff is set at 60 cents a gallon when brought in for use in the manufacture of approved products.

**Dutch East Indies.**—A sur-tax of ¼ of 1 per cent is to be assessed in all imports as soon as decree is published. This is to defray cost of statistical service.

**Latonia.**—Seeds for agricultural purposes will be admitted duty free.

**Germany.**—Oleomargarine imported must be parked in square packages, marked with a red stripe, so that it cannot possibly be mistaken for butter.

**Ottawa.**—Pleasure boats may be brought into Canada under season permits from customs collectors.

**Italy.**—Fresh fruits of all kinds originating from Canada, the United States, Chili, Hawaii, Japan, China, and Australia are scheduled as a prohibited import on the ground that there exists danger from "Aonidiella perniciosa" or "Laspreyresia malesta."

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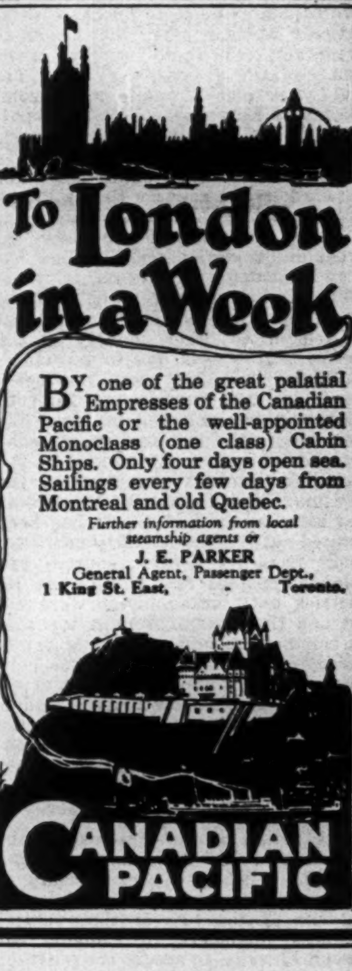

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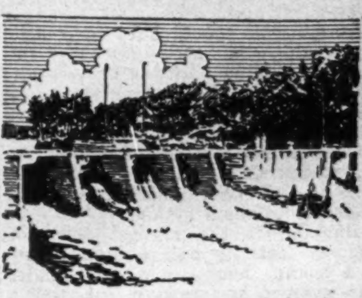

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# FEW IMMIGRANTS BEING SECURED FROM THE STATES

## And Big Sums Have Been Spent on Publicity Campaign

## LOOKING ELSEWHERE

## Ottawa Coming to the Conclusion That if Settlers Are to Be Secured, Canada Must Look to Europe

From Our Own Correspondent.

OTTAWA.—Immigration from the United States during March showed a slump as compared with that for the same month last year, the number of arrivals being only 1,401, as compared with 1,661 for March, 1923, and 2,670 for the same month in 1922.

These figures show that it is becoming increasingly difficult to get settlers from across the line, for these reduced figures follow on the heels of a very strong publicity campaign in the United States, which probably cost in the neighborhood of $500,000. For the 10 months ending January it had cost $428,488, or at the rate of $42,000 a month, and yet in spite of this immigration from that quarter falls off.

During the last four fiscal years the government has spent $1,900,000 in promoting immigration from the United States and during that time the number of immigrants actually secured during a year has actually fallen off by one-half. During the fiscal year 1920-21 the arrivals from the south were 48,059; in 1921-22 they were 29,345; in 1922-23 they dropped to 22,007 and in the fiscal year just closed to 20,521.

### Must Look Elsewhere

All this is giving rise to the conclusion that there will have to be a radical change in immigration policy if permanent settlers are to be secured in large numbers. It is known that it is harder to get settlers in the United States than it was before the war, because at that time Canada could offer the newcomer a free homestead, whereas this is now impossible. It is also a fact that during the pre-war years the United States supplied the largest percentage of homesteaders from other countries; nor was this unnatural, for settlers from the central and western states had farmed under similar conditions to those experienced in Canada.

The changed conditions and the necessity of adopting a policy that will show results in something like direct proportion to the large expenditures that are being made, are forcing to the front proposals that contemplate assisted settlement on a large scale with the co-operation of the British Overseas Settlement scheme.

It is realized that Canada hasn't a dollar to waste on immigration any more than she has a dollar to waste on anything else, and that there is no use spending hundreds of thousands a year fishing in waters where the fish are not to be found.

# Moodie Heads Ontario Branch of Manufacturers

At the annual meeting of the Ontario branch of the Canadian Manufacturers' Association, R. R. Moodie, vice-president and managing director, J. R. Moodie & Sons, Ltd., manufacturers of underwear, Hamilton, was made chairman with Elmer Davies, of Kingston, vice-chairman. Committees were appointed as follows:

Executive Committee—T. B. Christie, Hamilton; F. P. Combier, Niagara Falls; T. A. Hollinrake, Toronto; C. B. Lowndes, Toronto; F. E. Mutton, Toronto; R. L. Pollock, Galt; C. Dolph, Preston; J. J. Foote, London; F. M. Morton, Hamilton; W. T. Sampson, Gananoque; W. T. Goodison, Sarnia; George L. Guy, Orillia; C. A. Moore, Stratford; W. F. Morgan-Dean, Windsor; W. T. Kernahan, Toronto; Morden Neilson, Toronto; George Oakley, Toronto; W. E. Woelfle, Kitchener; W. G. McGhie, St. Catharines; S. J. Storie, Oshawa.

Executive Council from Ontario—H. H. Champ, Hamilton; A. F. Hatch, Hamilton; H. J. Waddie, Hamilton; W. H. Marsh, Hamilton; N. Slater, Hamilton; J. M. Campbell, Kingston; Hon. E. J. Davis, Newmarket; W. M. Gartshore, London; Fred Hatch, Whitby; E. H. Jones, St. Catharines; G. W. McLaughlin, Oshawa; W. C. Springer, Belleville; C. M. Thompson, Brantford; D. M. Wright, Stratford; George M. Duck, Windsor; Wallace Campbell, Ford City; George C. Coppley, Hamilton; W. E. Danner, Perth; William A. Richardson, Peterboro; E. M. Thurber, Port Hope; Henry Bertram, Dundas; C. V. Corles, Coniston; F. S. Scott, Galt; Col. R. W. Leonard, Thorold; George Dobbie, Galt.

# U.F.O. Makes Money After Leaving Retailing Field

The policy of General Manager H. B. Clemes, in advising the United Farmers' Co-operative Company of Ontario to write off the heavy losses sustained in the operation of retail stores, and confine operations to the marketing end, is evidently being justified by results. For the first time in four years the company is making a profit, and this has been increasing monthly since October last. Bank debts, which not so long ago totalled over $400,000, have been paid off and it is hoped that the good showing will be continued throughout the year. Business in the creamery department of the company is particularly good, a patronage dividend of two cents per pound on butter fat retroactive to November 1, having been declared. This, it is stated, means that milk shippers will receive approximately $7,000 in addition to the market price already paid.

The company lost about $530,000 of its paid up capital of $875,000 in its ventures in the retailing field.

# More Than Half Net Paid Out as Income Tax

Taxes paid by the electric street railways of the United States take 53.2 per cent. of their net income, according to statistics compiled from reports on electric railways by the Bureau of Census. In 1902, total taxes paid amounted to $13,000,000—equal to 30 per cent. of their net income. In 1922, this amount increased to $64,788,000—or 53.2 per cent. of their net income. These taxes represent an increase of 41.6 per cent. over the figures of 1917, while wages, materials and supplies increased 66.8 per cent. Increases in fares offset a portion of this increase, but the net income during 1922 increased only 1 per cent. over that of 1917.

# MENNONITES BUY BIG MODERN FARM IN SASKATCHEWAN

## Investment of $270,000 Indicates They Are Not Communists

From Our Own Correspondent.

SASKATOON.—Negotiations were completed this week for the sale of the Wilson farm at Harris, Sask., whereby Wilson Bros. disposed of their 5,588 acre farm, together with its equipment of machinery, 100 head of horses and a number of cattle, for a consideration of about $270,000. This is said to be one of the largest real estate deals put through in the city in some years.

The purchasers are some 20 Mennonites and their families, who have already taken possession and will farm this big block of land under the direction of Theodore Nickel, a successful Mennonite farmer of Waldheim, Sask., a councillor of his municipality for five years, who is joining his compatriots in the purchase of the Wilson property that they may benefit by his experience.

The newcomers, however, were all practical farmers and landed proprietors in Russia in the days of the Czar but lost their real and personal property to the Soviet Government.

The sale is the result of negotiations carried on for some time by the Canada Colonization Association, the actual sale being completed by the recently organized land department of the J. H. Speers Company, as agents for Wilson Brothers and the association, working in close co-operation with the Rev. David Toewes, chairman, and A. G. Friesen, manager of the Canadian Mennonite Board of Colonization.

In speaking of the purchasers, Mr. Speers said Messrs. Toewes, Friesen and other active members of the board were to be congratulated on the type of settlers they have secured for Canada, and that, contrary to general belief, the newcomers were not communists. They were decidedly industrialists, each man owning his own farm and standing or falling by the results of his own efforts, he said. Their desire was to become Canadians in every sense of the word, and as a means to that end on their arrival in the country last year they established and attended night schools where they were living in the Rosthern district in order to learn the English language.

# A Strong Market For Wool is Looked For

From Our Own Correspondent.

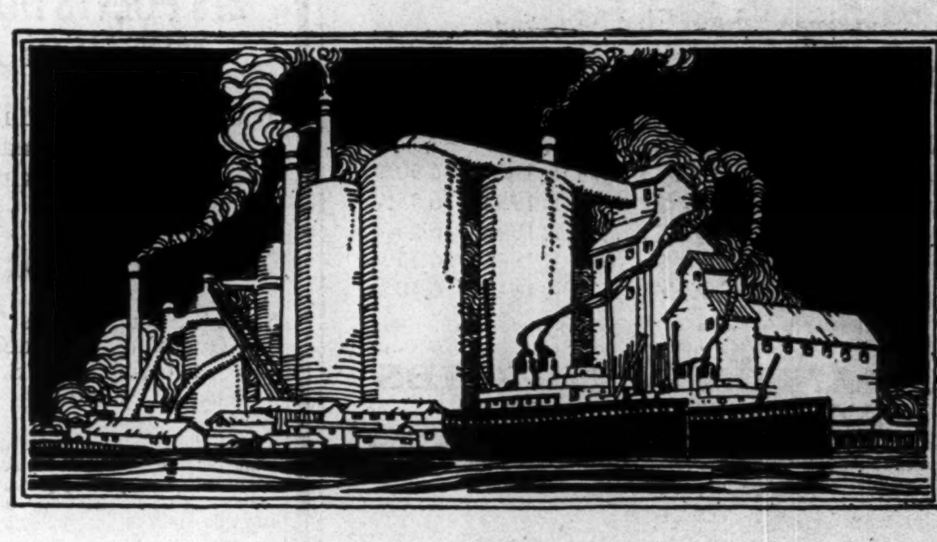
REGINA.—A strong and firm market for wool is confidently looked for by W. W. Thompson, manager Manitoba and Saskatchewan branches of the Canadian Co-operative Wool Growers, Ltd. Prices received for wool sold by the Canadian Co-operative this month were well in advance of those received during the latter part of 1923. As regards the supply sources the Australian markets are at their highest level, with very limited supplies now available. The South American production has been practically cleared, consequently a favorable marketing situation is looked for for the present year. Since 1918 the company has handled 22,500,000 pounds of wool and over 12,000 individual shipments were received in 1923.

# Take Out Mortgages To Pay Overdue Taxes

Staff Correspondent.

HALIFAX.—The recent investigation into the city's financial affairs discovered a large amount of unpaid taxes outstanding.

One of the local mortgage and loan companies report increased business directly due to mortgages being purchased by those who are now required to pay their overdue taxes.



COMMERCE

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# BRITISH DISCUSS RATIONING LOANS

## Give First Chance to British Dominions and Those Who Will Buy Goods

From Our Own Correspondent.

MONTREAL. — Canadian investment bankers are watching the gradual moulding of public opinion in Britain towards a scheme of rationing investment funds. Proposals recently made in London for loans to continental cities, including the Hague and Roo Rotterdam, were frowned upon by writers and bankers. It was felt that the supply of capital is less than the demand for it, and that under such circumstances loans should be made only within the Empire or under circumstances where the loan was likely to react beneficially to Britain. Such loans would include loans for reconstruction purposes—to Japan for instance—for it is felt that this type of issue is calculated to restore permanent improvement in foreign trade in which Britain would benefit. Also included would be loans for reproductive enterprise, the spending of which would immediately and directly assist British trade and relieve unemployment.

In the ultimate analysis, it is felt by leading Britishers, every foreign loan reacts beneficially on the country making it, but it is felt that in view of the unemployment question, loans should be restricted to those that would immediately benefit trade and home industries.

Canada is not yet a large borrower in Britain, but is likely to seek much British capital there shortly. It would be of benefit to Canada not to have to compete too briskly with continental nations and indiscriminate borrowers from the world over.

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Dividend No. 149

NOTICE is hereby given that a dividend at the rate of 8 per cent. per annum upon the Paid-Up-Capital Stock of the Union Bank of Canada, has been declared for the current quarter, and that the same will be payable at its Banking House in the City of Winnipeg, and also at its branches, on and after Monday, the Second day of June, 1924, to shareholders of record at the close of business on the 17th day of May next.

The Transfer Books will be closed from the 19th to the 31st day of May, both days inclusive.

By order of the Board.

J. W. HAMILTON,
General Manager.

Winnipeg, April 15th, 1924.

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# Financial Responsibilities of Directors of New Companies

In the organization of new financial, industrial or mining corporations — particularly where it is planned to raise capital by selling securities to the public—the promoters find it highly desirable to have the names of men of high standing in the community on their lists of officers and directors. The big financial and business concerns have long recognized the advisability of having big men as directors as a guarantee of stability and assurance of success and recently the idea has been capitalized quite extensively in regard to smaller ventures.

The result has been that in several cases these new companies have contracted obligations of an extensive character on the strength of the names of the directors and the latter have found themselves in a very awkward position when the promoters have realized on the cash assets and departed for California or elsewhere. A number of legal and other professional men have had experiences of this kind.

In the case of a limited company the directors cannot be held personally responsible at law for the ordinary business obligations contracted after organization has been effected. But merely evading responsibility on a technicality is not usually a satisfactory way out in the case of men who have been years in building up a reputation in the community, especially when they realize that it was through the employment of their names that credit was secured for the company. Prominent men who have been directors under such circumstances have assumed rather extensive liabilities rather than take advantage of technical immunity under the Companies Act.

Business houses having to do with newly-organized companies must be very careful in extending large credits even though the names of the directors may inspire confidence. In the case of goods it may be possible to arrange security under a lien but for services it may be hard to collect if the responsible parties concerned have not given personal assurance; they may in the end pay because of their standing in the community but this is not a really sound basis on which to do business.

### GROWING APPLES IN ALBERTA

LETHBRIDGE.—Southern Alberta is ambitious to grow apples, and L. Wempf, of the Magrath District, has cultivated some trees of Wagners until this year he proposes to graft Delicious and Jonathans on them.

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|---|---|---|
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| P. Burns & Co., Ltd., 6½'s | Jan. 1, 1943 | 6.50% |
| Charles Walmsley & Co. 6's | Feb. 1, 1943 | 6.25% |
| Maple Leaf Milling Co. 6½'s | Aug. 1, 1943 | 6.40% |

*Particulars of these issues will be forwarded on request.*

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# *News and Views for Investors*

## CANADIAN COTTONS

While the textile group has stood up fairly well during the past month's market liquidation, the four stocks to break with the market have averaged five points decline or better. Canadian Cottons common suffered the most, declining from 98⅛ to 88½ on sales of slightly over 1,000 shares.

## UTILITIES STAND WELL

A feature of the past month's stock transactions has been the strength shown by various utility issues in face of the declining market. Bell Telephone lost two points; Consumers' Gas advanced a fraction; Kam Power on a sale of ten shares showed a three points advance over the last March sale of 107. Both Mackay issues were slightly weaker with Montreal Power three points better; Ottawa Power was slightly better while Shawinigan was two points down; Southern Canada Power scored an advance of four points.

## CANADIAN LOCOMOTIVES

Canadian Locomotive common has remained firm at 66 during the past month, but 38 shares coming out. The preferred on the other hand gave slightly from 92½ to 87 on sales of 87 shares. The outlook for the company is excellent, in view of the increased orders which it has been receiving from the Canadian National Railway and C. P. R. Recently the C. N. R. placed an order for six mountain type engines and two tenders, while the company has already booked orders for fifteen locomotives from the C. N. R., and for ten tenders for the C. P. R.

## BRAZILIAN TRACTION

The year 1923 was the "most terrible exchange year in the nation's history," says Cincinato Braga, president of the Banco do Brazil, in the bank's financial statement. Insufficient transportation facilities, he told the shareholders, were the principal cause of the unfavorable situation. The exports were the same as imports in value for the three years, 1920, 1921 and 1922, he said, and thus foreign commerce had not been able to assist the government in reducing the annual shortage in the budget. An improvement was noted in 1923, however, with the value of exports standing at £73,000,000 sterling and imports at £51,000,000. The financial resources of the Banco do Brazil and other banks were insufficient to meet the demands of industry, he declared.

## LOEW'S LONDON THEATRES

At the annual meeting of the Loew's London Theatres, G. T. Brown, vice-president, announced that its position was improving steadily. While he made no definite announcement about the payment of dividends on the common stock, the impression was created that shareholders might look forward to a disbursement by the end of this year, if business keeps up to expectations. The balance sheet for the year ending Jan. 5, 1924, was submitted. Profit and loss account showed that operating revenue less expenses amounted to $76,413 for the year. Preferred dividends amounting to $41,332 were paid. The company's assets were given a valuation of $921,134. The profit for the year carried to profit and loss appropriation account was $31,090.

## B. C. PACKING

Packers of salmon in British Columbia are disappointed that there has been no reduction in the sales tax on canned salmon. They point out that it has been reduced on other canned goods, such as fruits and vegetables, from six per cent. to 2½ per cent., yet salmon must bear the new tax of five per cent.

The salmon packers contend theirs is one of the basic industries of the country just as much as fruit growing and fruit canning. There is an enormous quantity of salmon packed in Canada and very large quantities used by the Canadian people, on which the five per cent. tax is now being paid. The packers also contend that the salmon industry is one of the heaviest taxed in Canada, bearing as it does heavy provincial as well as federal taxes.

## GUNN'S LIMITED

Preliminary preparations to the listing of Gunn's preferred on the Montreal Stock Exchange have been practically completed, and the stock will be called in two or three weeks. The preferred has been a popular feature in the unlisted markets latterly, and in the past six months or so has appreciated from 24 to around 40. Present quotations are in the neighborhood of 37, the recession from the high reflecting the tendency of the general market.

A director, discussing the affairs of the company recently, stated that the position of Gunn's, Limited, had materially improved since the end of the year covered in the report. Bank advances had been substantially reduced, and the earnings were running considerably in excess of the preferred dividend requirements. The current year's business was showing a handsome profit, he added, and substantial balances were carried in the banks.

## DULUTH-SUPERIOR

An earnings statement, showing an important reduction in gross revenue and practically no change in operating expenses was marked by a five point decline in the common stock for Duluth Superior Traction this week. The stock is now selling around 25 and shows a loss of ten points since the first of the year.

The situation as regards the company's operating condition is far from satisfactory. The decline in revenue is probably due to unregulated jitney competition which is taking the cream of the profitable short haul business. This is evidently being permitted without restriction. Sometime ago the company, which had been facing unsatisfactory conditions under its charter owing to the rise in the cost of service as compared with fares, submitted its affairs to a controlling body with the idea of having a new fare decided on the basis of cost of service. This has brought up the whole question of the value of the various properties, and charges to be covered by the fares charged.

## Public Utility Earnings

### BARCELONA TRACTION

| March— | 1924 Pestas | 1923 Pestas | Inc. Pestas |
|---|---|---|---|
| Gross | 4,832,197 | 4,329,771 | 502,426 |
| Opr. exp. | 2,033,101 | 1,904,991 | 128,110 |
| Net earn. | 2,799,096 | 2,424,780 | 374,316 |
| Aggreg. gross Jan. 1 | 14,768,919 | 13,680,346 | 1,088,573 |
| Aggreg. net Jan. 1 | 9,146,633 | 6,692,745 | 2,453,888 |

### SOUTHERN CANADA POWER

| March | 1923 | 1924 |
|---|---|---|
| Gross | $ 88,124 | $ 78,189 |
| Operating | 38,221 | 34,696 |
| Net | $ 49,903 | $ 43,493 |
| Six Months Ending March 31 | | |
| Gross | $ 532,251 | $ 467,467 |
| Operating | 233,622 | 206,904 |
| Net | $ 298,628 | $ 260,562 |

### SOUTHERN CANADA POWER

| March— | 1924 | 1923 | Inc. |
|---|---|---|---|
| Gross earn. | $88,124 | $78,189 | $9,934 |
| Oper exp. | 38,221 | 34,696 | 3,524 |
| Net earn. | $49,903 | $43,493 | $6,410 |
| Six Months Ending March 31— | | | |
| Gross earn. | $532,251 | $467,467 | $64,784 |
| Oper. exp. | 233,622 | 206,904 | 26,718 |
| Net earn. | $298,629 | $260,563 | $38,066 |

### DULUTH SUPERIOR

| First Quarter— | 1924 | 1923 | %Dec. |
|---|---|---|---|
| Gross | x$471,442 | $513,414 | 8.18 |
| Expenses | 387,635 | 394,780 | 1.81 |
| Net rev. | $ 83,806 | $118,634 | 29.36 |
| Fixed chges. | 72,832 | 75,090 | 1.68 |
| Net income | $ 9,973 | $ 43,543 | 77.10 |

x—Gross revenues for 1924 are here shown upon a six cent fare basis. For better comparison, gross revenues for 1923 are shown here as adjusted to a six cent fare basis.

### CAPE BRETON ELECTRIC

| | Feb.1924 | Feb.1923 | Increase |
|---|---|---|---|
| Gross earn. | $ 53,942 | $ 55,498 | x$1,566 |
| Oper. exp. and taxes | 46,171 | 52,831 | 6,660 |
| Net earn. | $ 7,771 | $ 2,666 | $ 5,104 |
| Int. charges | 5,676 | 5,578 | 98 |
| Bal. (for res., retirements and dividends) | $ 2,094, | †$ 2,912 | $ 5,006 |
| For Twelve Months Ending | Feb.29 '24 | Feb.28 '23 | Inc. |
| Gross earn. | $705,356 | $645,901 | $59,455 |
| Oper. exp. and taxes | 591,410 | 548,870 | 42,539 |
| Net earn | $113,946 | $ 97,030 | $16,915 |
| Int. charges | 67,962 | 67,295 | 667 |
| Bal. (for res. retirements, and dividends) | $ 45,983 | $ 29,734 | $16,248 |

x—Decrease. †—Deficit.

## Railway Earnings

### CANADIAN PACIFIC RAILWAY

| Wk. End. | 1924 | 1923 | Change |
|---|---|---|---|
| Apr. 21, | $2,941,000 | $3,174,000 | — $233,000 |

### CANADIAN NATIONAL RAILWAYS

| Wk. End. | 1924 | 1923 | Change |
|---|---|---|---|
| Apr. 21, | $4,277,760 | $4,986,975 | — $709,215 |

### CANADIAN PACIFIC

| March— | 1924 | 1923 |
|---|---|---|
| Gross earnings | $14,812,927 | $13,585,762 |
| Work. expenses | 12,302,128 | 11,606,049 |
| Net profits | $ 2,510,798 | $ 1,979,713 |
| First Quarter— | | |
| Gross earnings | $41,288,482 | $37,894,541 |
| Working expenses | 36,839,434 | 34,699,308 |
| Net profits | $ 4,449,048 | $ 3,195,233 |

# 59 STOCKS LOST 218 POINTS DURING MONTH OF APRIL

### Total Issues to Decline Less Than Those Remaining Firm or Making Gains

## IS BOTTOM REACHED?

### Some Street Leaders Think It Oversold—Presidential Election in U. S. a Factor

Has the market discounted the possible decline in business, reduction in earnings and perhaps reduced dividends? This question, along with the question, is the market oversold? is being repeatedly pressed on brokers these days by their clients. There is some justification for the question. The market has had a long steady period of weakness. To most persons a weak market is practically the same as a declining market. However, an analysis of the trading for the past month tends to show that the number of stocks that weakened their market position was only slightly in advance of the number that was able to maintain their position and compared with the total of the gains and unchanged, falls considerably below. In other words the market has not been as weak as the first impression would lead one to believe. On the other hand there have been some startling recessions. Taking the stocks by groups, the standing as compared with April 1 is as follows:

| | Gain | Loss | Unchg.. |
|---|---|---|---|
| Pulp and Paper | 1 | 7 | 2 |
| Steel | 0 | 12 | 9 |
| Milling | 3 | 4 | 6 |
| Utilities | 8 | 5 | 5 |
| Tractions | 5 | 5 | 5 |
| Textiles | 3 | 4 | 4 |
| Industrials | 4 | 17 | 17 |
| Banks | 4 | 5 | 2 |
| Total | 28 | 59 | 50 |

The advance of the 28 stocks was 46¼ while the decline of the 59 was 218¼ points. In the pulp and paper group, the one stock to advance made but a point, while the total decline of the seven issues which fell back was 35 points, the greatest decline being seven points.

Not a member of the steel group bettered its position while 12 of them showed a total loss of 62¼ points which is not quite as sharp a decline as that made by the paper issues. The milling group was one of the strongest, three issues showing an advance of 7½ points while four others showed a decline of the same amount. The utility group stood up the best, eight issues showing an advance in the month of 17¼ points while five declined 6¾ or a little better than an average of one point. The tractions evened things across the board 5 gains, 5 losses and 5 unchanged. The total gains were 5 points while the losses totalled 15 or 3 points each. The decline in textiles was perhaps the heaviest when 4 issued dropped 25 points while 3 others advanced 4 points. In the industrial group but four bettered for a total of 6 points while 17 declined 55 points. The bank shares have stood up fairly well, four advancing 1¾ points average while 5 lost 12 points.

### Market Has Benefited

Generally the brokers considered the market has benefited by the past month's experiences. Some think the period has been a little prolonged but on the other hand, brokers in close touch with various business houses, declare that the unsettled taxation situation with the budget breaking in, while U.S. markets are somewhat unsettled over the presidential contest which comes in the fall, that they are not surprised that the public remains aloof. There have been many arguments as to whether or not the election in New York has been a factor in the depression. John Moody after a canvass of the situation says it is an important factor this year because of the danger of uneconomic legislation and the Bache Review says it can see no change until the present uncertainties are replaced by constructive factors. These views are in accord with the general views of the Canadian market leaders.

The position of the bank stocks to-day as compared with the first of the year, April 1 and April 30, follows:

| Banks | Jan. 1 | Apr. 1 | Apr. 30 |
|---|---|---|---|
| Commerce | 184 | 184½ | 182 |
| Dominion | 182 | 183 | 183¼ |
| Hochelaga | 144 | 148 | 148 |
| Imperial | 175 | 173 | 170 |
| Molsons | 155 | 155 | 153 |
| Montreal | 242 | 234 | 235½ |
| Nova Scotia | 250 | 255 | 255 |
| Royal | 212 | 214 | 216 |
| Standard | 167 | 166 | 163 |
| Toronto | 176 | 176 | 174½ |
| Union | 105 | 104 | 106 |

## APRIL BUILDING

### Contracts Show Big Increase Over March, But Below 1923

The total awards for Canadian construction for the month of April, according to MacLean Building Reports, Limited, were $30,198,800, compared with $11,584,500 in March, and $30,843,800 in April, 1923. Residential building accounted for 31.5 per cent. of the April total, amounting to $9,556,300. Business building amounted to $9,112,800, or 30 per cent.; industrial building, $3,641,100, or 12.2 per cent., and public works and utilities, $7,888,600, or 26.3 per cent. The activity was distribluted among the provinces as follows: Ontario, 48.8 per cent.; Quebec, 21.9 per cent.; British Columbia, 19.4 per cent.; Prairie Provinces, 8.2 per cent., and the Maritime Provinces, 1.7 per cent.

## Changes in Officers of Western Canada Flour

WINNIPEG.—The resignation of Andrew Kelly, president of the Western Canada Flour Mills, was announced here to-day. D. B. Hanna, former president of the Canadian National Railways, succeeds Mr. Kelly, who, while remaining on the advisory board, will take no part in the future active management of the company. Mr. Kelly has been in the milling business for forty-seven years.

The appointment of A. J. Mitchell, who was formerly associated with Mr. Hanna on the Canadian National Railway directorate, to the vice-presidency of the company, was announced.

J. W. McFarlane, general manager of the Western Canada Flour Mills, Limited, for more than nineteen years, also has resigned, the office being temporarily filled by J. J. Page of Toronto, secretary-treasurer of the company.

There will be no changes in the Western executive, John W. Horn continuing as assistant manager of the Western interests.

## BUSINESS NEEDS REAL LEADERSHIP IN TRYING PERIOD

(Continued from page 1)

their shareholders and their borrowers. They thoroughly appreciated that fact. Banking was regarded by them as a business, not a profession. They were the ideal leaders on all questions that affected the material prosperity of the country. They were invariably consulted by our public men on important public problems often far removed from technical finance, and they all worked together for the public good.

But Canadian banking has, in the last few years, undergone a marked change. It has drifted too much into a purely technical activity, more mechanical than human in its conduct and sometimes offensive and monopolistic in its attitude to its customers and the public. To-day the Canadian system, due to lack of understanding, is sitting on a mine which politicians may some day explode with disastrous effects on all business.

The result of the Bank of Commerce action, in enlisting for their bank and for banking generally the services of a man of such wide business experience as Sir Joseph Flavelle is, as has been said, one of the most hopeful signs of the week. It means another man—safe and sound yet a man of faith and vision—is in a place of great authority, and will be able to work with Sir Vincent Meredith, Sir Herbert Holt and other large-visioned men for the upbuilding of Canada.

## STARTING WORK ON ST. JOHN'S HOTEL

### Admiral Beatty Hotel is Being Financed in Eastern City—$100,000 of Stock Sold

By Staff Correspondent.

ST. JOHN.—Building operations on the new Admiral Beatty Hotel are scheduled to commence as soon as possible, the expiry date for tenders having been May 1.

The Hotel Dufferin, on which site the Admiral Beatty will be built, has already been razed to the ground. Prospects for the new hotel are regarded locally as promising. St. John is lacking full hotel accommodation to meet the demands of increasing tourist traffic, and it is expected this thoroughly modern hotel will attract more of the normal traveling public to St. John, as well as bring winter ocean travelers to the city to await the departure of the trans-Atlantic boats.

The Admiral Beatty will have 184 rooms. The hotel company also has purchased immediately adjacent land which will permit of the addition of further rooms when required. The hotel will be under the management of the United Hotels Company. The local sale of debenture stock is reported as fairly satisfactory, with $100,00 already subscribed for by the local directors of the company. The financing is in charge of Thomas, Armstrong and Bell.

The Admiral Beatty Hotel Company is capitalized at $750,000 of 7 per cent. preferred stock and $750,000 of common stock, of which $650,000 of each is to be issued. There is a first mortgage of $550,000. The capitalization of under $7,000 per room compares favorably with capitalization of other hotels recently constructed.

## Construction Industry Fails in Employment

OTTAWA.—Employment at the beginning of April showed a contraction of over one per cent.; the curtailment of operations reported by employers was somewhat similar to that indicated at the same period of 1923, although the shrinkage of last year affected a much larger percentage of the reported payroll. Manufacturing continued to show moderate improvement; communication, water transportation and laundries also reported increased activity. On the other hand, logging camps recorded very pronounced seasonal contractions and the construction industry as a whole was slacker.

## Gambling and Investing

By EUGENE M. STEVENS,
Vice-President Illinois Merchants Trust Company.

The use of accumulated capital may take many forms. It may be used in gambling, which is pure chance with no possible foreknowledge or control of the result and this, of course, is the lowest form of its application. It may be used in what we call speculation. This may be a little higher form of investment than pure gambling, but at best is based on probable chance and is, in every instance, dealing in future prospects rather than established history. In practice, the speculator rarely has the real fundamental knowledge necessary to enable him to judge the future of the intricate situation on which he is taking a chance, and speculation, therefore, is often in practice only another form of gambling.

Accumulated capital may also be used in the enterprise in which the owner himself is engaged in the management, and this of course is the basis of much of our commerce and industry. It is the combination of his money plus his brain and endeavor, which is the basis of the income of many small business men. Unfortunately, the average man's intelligence is not even equal to a proper judgment of the business which he knows most about, and only a small percentage of these enterprises may be called successes. Most of them, at best, only make a fair living and the percentage of failures is very high. If the average man is unable to judge of his own business successfully, why should he be so foolish as to speculate in other business of which he knows nothing!

Accumulated capital may be used in acquiring shares of ownership in established and stable great corporations of long history and high standing and with capable management, and the preferred stocks of some of these corporations, which have a preference in assets and earnings over the common stocks, are in some instances, no doubt, good investments. However, the principle of all holdings of stocks is an ownership in the property, which is junior to all the operating expenses and debts of the property and, therefore, subject most of all to any vicissitudes which may come to the business.

### Mortgage Bonds

Capital may be invested in loans to such great and established corporations, preferably secured by a mortgage on their property, and if wisely chosen this is one of the safest forms of investment, for the holders of such certificates or bonds, as they are called, has a first claim on the assets and earnings of the property, rather than a last claim, as in the stock ownership. Above and beyond this are the obligations of governments and municipalities, supported by the taxing power and, therefore, a direct charge on all the people, which are probably the safest form of investment of all.

It should be borne in mind that there is a distinction between interest as received on loans and mortgages, and dividends received on stocks. Interest is, by agreement, a fixed amount which the borrower pays as a rental for the money which is loaned to him. Dividends on stock, on the other hand, represent the proportion of the earnings of the enterprise. As I have stated before, therefore, interest on loans is a direct charge against the corporation, which must be paid or otherwise the corporation is insolvent; and dividends on the stock are not, in any sense, a charge against the property and are only payable out of net earnings after interest and expenses have been paid and when the management of the corporation, in their discretion, decide that such earnings may be paid out to the stockholders. The payment of such dividends, therefore, depends upon the fluctuations of the business and its successful operation, from year to year.

### Earnings are Modest

I recently read an interesting article emphasizing the power and also the limitations of the earnings of the dollar, in which the writer points out the fallacy of sending your dollar out into the world and expecting it to do miraculous things, rather than the safe way of expecting from it its normal and fair earning capacity. Just as only one man in tens of thousands proves his ability to rise above the average to exceptional heights of achievement, so it is only the very exceptional that can perform the same miracle and the chances are thousands to one against its doing so.

The history of the origin and the rise of corporations is of great interest, but it is too long to have more than a mention in a discussion at this time. Men found that they were unable to accomplish things alone which they could do with partners, and the partnership relation, combining the capital and the abilities of two or more persons, became prevalent and largely successful. The inevitable outcome of this development was the corporation, which is nothing more or less than, in practical effect, a partnership of many persons, including the few who are actively in the business and the many who furnish the capital for its conduct and who have confidence in their managing partners. Such corporations became recognized in the law to the extent that charters were granted to them by the various states, and in some cases—notably in railroads and public utilities, insurance companies and banks—the state exercised a certain supervision over them. The ownership in such corporations is evidenced by certificates of stock representing the number of shares of such corporations held by the owner.

### Making Money Produce

The growth of this feature of economic life has had a vast effect on our country and on the world's commerce. It has enabled great enterprises to be undertaken, such as the building of transcontinental railroads, the development of vast resources, which no one man or combination of a few men could properly finance. Such corporations, many of them, continuing to

(Continued on page 15)

Uncle Sam's Thirst for News

There are 29 million papers printed every day in the U.S., not to mention the thousands of small country newspapers printed weekly by the million. Each year these publications are becoming increasingly dependent upon Canada for their newsprint. Last year they took 88% of our total production. Our waterpowers and pulp areas which make this newsprint industry possible are among the richest assets owned by any nation in the world.

*We have prepared an interesting analysis of the Newsprint Industry. A copy will be sent upon request.*

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THE ADMIRAL BEATTY HOTEL which will be managed by the United Hotels of America, is being erected to fulfill this need.

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# AUTO INDUSTRY HARD HIT UNDER LABOR BUDGET

## Large Portion of Canadian Cars for British Market

Opinion among automobile manufacturers of Canada is unanimous that little possibility remains of Canadian factories retaining the British motor market after the abolition of the McKenna duties, which afford Canadian producers an 11 2/9 per cent. preference. The simple fact of the matter, according to George McLaughlin, of General Motors, Oshawa, and T. A. Russell, of Willys-Overland, Ltd., Toronto, is that Canada is unable to compete in open market against the United States. In addition, Canadian plants stand in great danger of losing other export markets by virtue of the fact that only the possession of the United Kingdom field brought other markets under Canadian direction. The direct result of the British Labor Budget, therefore, will probably be the reduction of production in Canadian factories and, necessarily, the paring down of staffs of Canadian workmen. Automobile makers are not alone to be hit by the change. Other articles affected include gramophones, sugar, confectionery, condensed milk and cameras.

In connection with the automobile business it is interesting to note that in 1923, 28.6 per cent. of Canada's export in tires went to Great Britain, with a total of around a half million tires.

A study of the export figures bearing on the automobile business shows that, with the exception of Australia, India and the Dutch West Indies, Canada has been able to build up the bulk of her export with countries which declared a preference, and that this business has been increasing from year to year, much more rapidly in the preference countries than in others. At the head of the list stands the United Kingdom, which in 1923 purchased over $7,500,000 worth of Canadian cars, as compared with $587,000 in 1921. Australia, without a preference, comes second, the export in 1923 being $7,036,000, compared with $1,680,000 in 1921. This would seem to indicate that in Australia the demand for cars is so keen that the business has been fairly stable, while in the United Kingdom there has been a gradual stepping up in the business through the preference. In the United Kingdom the Canadian cars have had to go into competition with the home-made article, while in Australia it was merely a case of getting a slice of what was going without having to compete with the home product. In British South Africa, which comes third, there is a preference; in New Zealand, where the business last year ran over $4,000,000, there is also a preference.

The amount of capital invested in the automotive industry in Canada is another indication of the substantial character of the business. In plant equipment and material, as of Jan. 1 of the present year, the companies engaged in manufacturing automobiles had in this country an investment totaling $56,028,616. The companies making tires, parts and material had invested $36,004,339, or a grand total of $92,032,955 invested in the Canadian industry.

### Fifty Per Cent. for Export

Geo. McLaughlin says that of last year's production in the Oshawa plants of General Motors approximately 50 per cent. was export business. He could not say, off-hand, what percentage of this business went directly to the United Kingdom, but he was very emphatic in the statement that Canada's biggest customer was Great Britain. Canada would almost certainly lose that business, and with its loss might go other export markets which have been developed in recent years.

# Income Tax Amendments Passed Last Year

A revised edition of "Questions and Answers," regarding Dominion income tax, by S. Warner Eakins, is being distributed by W. R. Fleming & Co., Toronto. Particular attention is paid to the amendments assented to June 30, 1923, providing that reductions shall not be allowed in respect of:

(a) Disbursements or expenses not wholly exclusively and necessarily laid out or expended for the purpose of earning the income, or

(b) Any outlay, loss or replacement of capital or any payment on account of capital or any depreciation, depletion or obsolescence except as otherwise provided in the Act.

Where a taxpayer has income from more than one source, by virtue of filling or exercising more than one position, occupation, trade, business or calling, the minister has full power to determine which one or more, or which combination thereof, shall constitute the taxpayer's chief position or calling. The allowance for the amount of interest deductable from income or borrowed capital is defined as a reasonable rate of interest on borrowed capital used in a business. If the rate of interest exceeds such reasonable rate, the minister has power to disallow the difference.

The method of procedure for making appeal from the amount of assessment has been changed. The person objecting must now, within one month after date of mailing of the notice of assessment, serve a notice of appeal upon the minister in writing by registered mail. The minister must then consider and affirm or amend the assessment and notify the person appealing. If the appellant is still dissatisfied he may, within one month of the receipt of this decision from the minister of finance, mail a second notice to the minister, called a notice of dissatisfaction, in which he makes known his desires that the appeal shall be set down for trial, together with any other reasons which he intends to submit to the court. The party appealing must give security for at least $400 for the cost of the appeal and within two months the minister must transmit to the Exchequer court all the necessary documents and papers relative to the assessment under appeal. The Exchequer court has exclusive jurisdiction in the matter.

# Maritime Life Has Written $150,000 to Date

By Staff Correspondent.

HALIFAX.—With its first month of actual business just completed the Maritime Life wrote a total of $150,000 of insurance in that period. This insurance covered over 50 lives, and at an average premium of $33. Around $20,000 of the total represents insurance taken out by members of the board of directors.

# TRAFFIC DENSITY OF STREET RAILWAY LOW

## Investors Welcome Report of Toronto Transportation Commission

The influence of the automobile as a competitor with street railway systems for passenger traffic is revealed in the report of the Toronto Transportation Commission made public this week. The report states that at present traffic density is very low. The results may serve as a warning to municipalities against the possible difficulties in establishing extensive systems on a paying basis.

The report, the second to be issued since the city took over the system shows the total revenue for 1923 as $11,852,334, and the net $124,838. The income available for fixed charges was $3,747,654, allocated as follows: Interest and sinking fund on capital account, $2,387,725; depreciation $877,090; reserves of unredeemed tickets, workmen's compensation, public liability and contingencies, $358,000; leaving a surplus on the year's operation of $124,838.

The expenditure covering extensions is given as approximately $27,000,000; that for civic car lines, $2,400,000, the price of property of Toronto Railway Company (if the majority award is sustained) the Toronto and York Radials, and the Toronto Suburban Railway Company, $12,500,000; discount on debentures and expenses, $1,250,000. The total accumulated reserves are $4,137,708.

Several large institutions which invest heavily in Toronto and other Canadian municipal bonds have displayed a greater desire recently to secure statements on the operation of public utilities. By these and investment firms in general the present report, made at the time of the retirement of former general manager, H. H. Couzens, is welcomed, and the hope is freely expressed in financial circles that future reports may be made as frequently as possible and at least once a year.

E. D. Kelly, of the Timmins staff of the Bank of Commerce, and Mr. Hutchison of the Schumacher branch, have resigned from the service of the bank and are going to Detroit.—The Advance,

# STOCK MOVEMENTS OF THE WEEK

WEEK ENDING APRIL 29

| | Div. Rate | Yield Apr.28 | High For week | Low For week | Close Apr.29 | Close Apr.22 | Sales For week | Range High | 1924 Low |
|---|---|---|---|---|---|---|---|---|---|
| **Banks—** | | | | | | | | | |
| Commerce | 12 | 6.50 | 183½ | 181 | 182 | 184 | 183 | 188 | 181 |
| Dominion | 12 | 6.55 | 183¼ | 183 | 183¼ | 183 | 44 | 187 | 181 |
| Hochelaga | 10 | 6.75 | 148 | 148 | 148 | 148 | 1 | 150½ | 143½ |
| Imperial | 12 | 7.03 | 170½ | 169¾ | 170 | 170 | 92 | 177½ | 169¾ |
| Molsons | 12 | 7.84 | 153¼ | 153 | 153 | 154 | 55 | 159½ | 151 |
| Montreal | 12 | 5.09 | 235½ | 232½ | 235½ | 233 | 87 | 248 | 230 |
| Nova Scotia | 16 | 6.26 | 255 | 254 | 255 | 255 | 25 | 260 | 248 |
| Royal | 12 | 5.67 | 216 | 214½ | 216 | 215 | 143 | 217 | 211 |
| Standard | 12 | 7.36 | 163 | 162½ | 163 | 166 | 19 | 168 | 162½ |
| Toronto | 12 | 6.89 | 175 | 174 | 174½ | 174 | 69 | 179 | 174 |
| Union | 8 | 7.51 | 107 | 105¾ | 105¾ | 106¼ | 140 | 109½ | 103 |
| **Paper—** | | | | | | | | | |
| Abitibi, com. | 4.00 | 7.14 | 57 | 54 | 54 | 56½ | 1115 | 69 | 54 |
| Brompton Pulp | .. | .... | 36½ | 34½ | 34½ | 35¾ | 2670 | 43 | 34½ |
| Laurentide | 6 | 6.89 | 87½ | 86½ | 86 | 86 | 872 | 98½ | 84¾ |
| Price Bros. | 2 | 4.87 | 41½ | 40½ | 41 | 41½ | 765 | 45 | 40 |
| Smith, Howard, com. | 6 | 10.61 | 56½ | 52 | 55 | 52 | 208 | 75 | 52 |
| Do. pref. | 8 | 8.60 | 93½ | 91 | 93 | 90½ | 44 | 100 | 90 |
| Spanish River, com. | 7 | 7.07 | 99¾ | 97½ | 97½ | 98 | 1712 | 114 | 96 |
| Do. pref. | 7 | 6.51 | 109¾ | 107½ | 107¾ | 108 | 151 | 119½ | 105½ |
| St. Maurice Paper | 6 | 6.74 | 90¾ | 89 | 89 | 89 | 550 | 113½ | 83 |
| **Steel and Steel Industries—** | | | | | | | | | |
| B.E. Steel, com. | .. | .... | 3 | 3 | 3 | 3 | 425 | 6 | 3 |
| Do. 1st pref. | .. | .... | 36 | 35 | 35 | 36 | 95 | 57½ | 35 |
| Do. 2nd pref. | .. | .... | 9½ | 8 | 8½ | 10 | 999 | 17 | 8 |
| Can. Car & F'dry, com. | .. | .... | 45½ | 45 | 45 | 46 | 285 | 50 | 36½ |
| Do. pref. | 7 | 8.00 | 88 | 87½ | 88 | 87½ | 92 | 97 | 84½ |
| Can. Locomotive, com. | 4 | 6.15 | 66 | 65 | 66 | 66 | 36 | 67 | 65 |
| Do. pref. | 7 | 8.04 | 87 | 87 | 87 | 87½ | 5 | 92½ | 85 |
| Dominion Radiator | 7 | 7.36 | 95 | 95 | 95 | 94 | 15 | 95 | 94 |
| Dominion Bridge | 4 | 6.15 | 65 | 61 | 61 | 65 | 156 | 80 | 61 |
| N.S. Steel, pref. | .. | .... | 68 | 68 | 68 | .. | 10 | 68 | 68 |
| Ontario Steel, com | 4 | 9.30 | 43 | 43 | 43 | 43½ | 20 | 45½ | 43 |
| Do. pref. | 7 | 8.14 | 86 | 86 | 86 | 93 | 10 | 93 | 86 |
| Steel of Canada, com | 7 | 9.49 | 74½ | 71 | 72 | 72½ | 1158 | 83 | 70 |
| Do. pref. | 7 | 6.91 | 103 | 101¼ | 101¼ | 103 | 55 | 105½ | 100 |
| **Milling—** | | | | | | | | | |
| Canada Bread, com. | 4 | 6.34 | 63 | 63 | 63 | 64 | 1 | 74½ | 63 |
| Do. pref. | 7 | 7.22 | 97 | 96¾ | 96¾ | 96 | 50 | 98½ | 95 |
| Maple Leaf, com. | .. | .... | 66½ | 66¼ | 66¼ | 63 | 40 | 69 | 60 |
| Do. pref. | 7 | 7.69 | 91½ | 91 | 91 | 91 | 60 | 95¾ | 87 |
| Ogilvie Flour, pref. | 7 | 5.83 | 120 | 120 | 120 | 120¼ | 5 | 120¼ | 116 |
| Shredded Wheat, com. | 8 | 5.79 | 138 | 138 | 138 | .. | 10 | 138 | 138 |
| St. Law. Flour, pref | 7 | 7.86 | 89 | 89 | 89 | 90 | 10 | 91½ | 89 |
| Inter. Milling, pref | 7 | 7.33 | 95½ | 95¾ | 95½ | 95½ | 50 | 96½ | 94 |
| **Utilities—** | | | | | | | | | |
| Bell Telephone | 8 | 6.25 | 128 | 126¾ | 127½ | 127 | 613 | 132¾ | 125 |
| Consumers Gas | 10 | 6.25 | 160¼ | 160 | 160¼ | 160 | 113 | 166½ | 159 |
| Dom. Telegraph | 6 | 6.93 | 43¼ | 43¼ | 43¼ | 43½ | 8 | 44½ | 43 |
| Kaministiquia | 8 | 7.27 | 110 | 110 | 110 | 107½ | 10 | 113½ | 107 |
| Mackay, com. | 7 | 6.25 | 112½ | 111½ | 112 | 112 | 165 | 120¼ | 110¼ |
| Do. pref. | 4 | 6.01 | 66½ | 65 | 66½ | 65¾ | 183 | 71½ | 65 |
| Montreal L.H.& Pr.Cons. | 7 | 4.45 | 158¼ | 152 | 157 | 152 | 4710 | 161¼ | 140¾ |
| Montreal Telegraph | 8 | 6.66 | 48¼ | 48 | 48 | 48 | 14 | 52½ | 48 |
| Ottawa L. H. & Pr. | 6 | 7.14 | 84 | 83¼ | 84 | 84 | 50 | 86 | 81 |
| Quebec Power, com. | .. | .... | 65½ | 65 | 65 | 65¾ | 26 | 72½ | 64 |
| Do. pref. | 7 | 7.52 | 93 | 93 | 93 | 94 | 16 | 95 | 90 |
| Shawinigan | 7 | 5.55 | 126½ | 125½ | 126½ | 125½ | 207 | 135½ | 118½ |
| Southern Can.Pr., com. | 1.00 | .... | 59½ | 59 | 59 | 59¾ | 204 | 61 | 51¾ |
| **Transportation—** | | | | | | | | | |
| Canadian Pacific Rly. | 10 | 6.66 | 151¼ | 150 | 150 | 151 | 317 | 154 | 147¼ |
| Can. Steamships, com. | .. | .... | 15½ | 15 | 15 | 15 | 280 | 16 | 11 |
| Do. pref. | .. | .... | 51¾ | 49½ | 49¾ | 51 | 836 | 52 | 41½ |
| **Tractions—** | | | | | | | | | |
| Barcelona | .. | .... | 13¼ | 13 | 13¾ | 12¾ | 285 | 16 | 12¾ |
| Brazilian | 4 | 7.69 | 52 | 51 | 52 | 51½ | 8422 | 53¾ | 41¼ |
| Detroit Un. Rly | 6 | 10.90 | 55 | 53 | 53 | 55 | 338 | 72½ | 50 |
| Duluth-Superior | .. | .... | 25 | 21 | 21 | 29¼ | 120 | 35 | 21 |
| Illinois Traction, pref | 7 | 7.60 | 92 | 91¾ | 92 | 89 | 17 | 93½ | 87 |
| Porto Rico Rlys, pref. | 7 | 10.00 | 70 | 70 | 70 | 70 | 5 | 75 | 66 |
| Toronto Railway | .. | .... | 87 | 86 | 86½ | 86½ | 625 | 87 | 80 |
| Twin City, com | 6 | 10.61 | 57¼ | 55 | 55 | 58¾ | 399 | 69 | 55 |
| Winnipeg Elec., com. | .. | .... | 26 | 25¾ | 26 | 25¼ | 255 | 30 | 24 |
| Do. pref. | 7 | 9.09 | 77 | 75 | 77 | 77 | 160 | 85 | 75 |
| **Textiles—** | | | | | | | | | |
| Can. Converters | 7 | 9.33 | 75 | 75 | 75 | 77 | 80 | 90 | 74 |
| Can. Cottons, com. | 8 | 8.98 | 89 | 88½ | 88½ | 89½ | 85 | 111 | 88½ |
| Do. pref. | 6 | 6.74 | 89 | 88½ | 89 | 88 | 25 | 91 | 88 |
| Can. Woollens, com. | .. | .... | 7 | 7 | 7 | 7 | 150 | 7 | 6 |
| Do. pref. | .. | .... | 41½ | 41 | 41 | 40 | 626 | 41½ | 35 |
| Dom. Textile, com | 4.00 | 7.40 | 56 | 54 | 55 | 56½ | 926 | 66 | 54 |
| Do. pref. | 7 | 6.54 | 107 | 107 | 107 | 105½ | 5 | 109½ | 104¼ |
| Monarch Knitting, pref. | 7 | 10.76 | 65 | 65 | 65 | 80 | 10 | 82 | 65 |
| Montreal Cotton, pref. | 7 | 6.57 | 106½ | 106½ | 106½ | 104½ | 5 | 106½ | 104 |
| Penmans, com | 8 | 5.44 | 147 | 141¼ | 141¼ | 147 | 297 | 165 | 141¼ |
| Do. pref. | 6 | 6.38 | 94 | 92 | 92 | 94 | 6 | 96 | 92 |
| **General Industrials—** | | | | | | | | | |
| Amer. Salesbook, pref. | 7 | 7.77 | 90 | 90 | 90 | 86¼ | 10 | 95 | 86¼ |
| Asbestos, pref | 6 | 10.90 | 55 | 55 | 55 | 55 | 80 | 62 | 55 |
| Atlantic Sugar, com. | .. | .... | 15 | 15 | 15 | 15 | 60 | 21¼ | 15 |
| Bird & Son, pref. | 7 | 8.14 | 86 | 86 | 86 | 88 | 25 | 89 | 86 |
| B. C. Fishing | .. | .... | 12½ | 11 | 11 | 12½ | 20 | 15¼ | 11 |
| Burt, F. N., com. | 10 | 7.75 | 129 | 128 | 128 | 128 | 52 | 137¾ | 127½ |
| Canada Cement, com. | 6 | 6.74 | 89 | 86½ | 86¼ | 89 | 261 | 93 | 84½ |
| Do. pref. | 7 | 6.48 | 108 | 107½ | 107½ | 107¾ | 111 | 108 | 102¼ |
| Can. Gen. Elec., com | 6 | 5.71 | 52½ | 52½ | 52½ | 53 | 4 | 56 | 52½ |
| Do. pref. | 7 | 6.66 | 53¼ | 52½ | 52½ | 52¾ | 428 | 54 | 51¾ |
| Canadian Salt | 8 | 7.08 | 113 | 113 | 113 | 113 | 30 | 115½ | 109 |
| Can. Ind. Alcohol | 6 | .... | 27 | 26½ | 27 | 27 | 55 | 28½ | 26¾ |
| City Dairy, com. | 10 | 5.55 | 45 | 45 | 45 | 45 | 20 | 47½ | 40¾ |
| Do. pref. | 7 | 6.66 | 105¼ | 105 | 105 | 105¼ | 5 | 106¾ | 104 |
| Crows Nest Coal | 6 | 12.50 | 48 | 48 | 48 | 50 | 2 | 51¾ | 48 |
| Cuban Can. Sugar, pref. | .. | .... | 38½ | 38½ | 38½ | 39 | 120 | 54 | 33½ |
| Dom. Canners, com | .. | .... | 25½ | 25 | 25 | 25 | 35 | 35¾ | 20¾ |
| Do. pref. | 7 | 8.33 | 84 | 83 | 83¾ | 82½ | 24 | 90 | 82 |
| Dominion Glass, com. | 7 | 6.63 | 105½ | 104½ | 105 | 105 | 330 | 110 | 101½ |
| Do. pref. | 7 | 6.60 | 107 | 106 | 107 | 105 | 30 | 107 | 103 |
| Dominion Stores, com | 1.00 | 3.70 | 27 | 27 | 27 | 27 | 315 | 30 | 26 |
| Do. pref. (A) | 8 | 8.88 | 90 | 90 | 90 | 90 | 5 | 90 | 81 |
| Eastern Theatres, com. | .. | .... | 14¾ | 14½ | 14½ | 14½ | 77 | 14¼ | 12 |
| Goodwins, com. | .. | .... | 35 | 35 | 35 | 33 | 425 | 48½ | 17 |
| Goodyear Tire, pref | 7 | 9.33 | 75 | 75 | 75 | 77 | 25 | 81¼ | 75 |
| Holt, Renfrew, com. | .. | .... | 13 | 13 | 13 | .. | 75 | 13 | 13 |
| Do. pref. | 7 | 10.60 | 66 | 66 | 66 | 63¼ | 300 | 66 | 52 |
| National Breweries | 4.00 | 8.08 | 50 | 49½ | 49¾ | 50 | 180 | 56¼ | 49 |
| Do. pref. | 7 | 7.17 | 99 | 97½ | 97½ | 99 | 6 | 100 | 95 |
| Rogers, Wm. A., pref. | 7 | 7.44 | 94 | 94 | 94 | 95¼ | 10 | 100 | 86 |
| Russell Motor, com. | .. | .... | 17½ | 17½ | 17¾ | 17½ | 10 | 18 | 17½ |
| Do. pref. | 7 | 14.00 | 50 | 50 | 50 | 50 | 7 | 56 | 48 |
| Sherwin-Williams, pref. | 7 | 7.00 | 100 | 100 | 100 | 100 | 85 | 103 | 100 |
| Sterling Coal | 4 | 9.09 | 44 | 44 | 44 | 44 | 5 | 44 | 40 |
| Tuckett Tobacco, com. | 4 | 6.78 | 59 | 58 | 58 | 59 | 85 | 64½ | 57 |
| **Trust and Loan—** | | | | | | | | | |
| Canada Landed | 10+1 | 6.79 | 81 | 81 | 81 | 81 | 10 | 86 | 80¼ |
| Can. Permanent | 12 | 6.55 | 183 | 183 | 183 | 181 | 34 | 187 | 180 |
| Hamilton Prov. | 10 | 6.84 | 146 | 146 | 146 | 141 | 10 | 146 | 141 |
| Landed Banking | 9 | 6.33 | 142 | 142 | 142 | 140 | 9 | 142 | 139½ |
| Montreal Loan | 12+1 | 7.02 | 46¼ | 46¼ | 46¼ | .. | 8 | 46¼ | 46¼ |
| National Trust | 12 | 5.71 | 210 | 210 | 210 | 210 | 1 | 215 | 210 |
| Toronto Gen. Trusts | 12 | 5.79 | 207¾ | 207¾ | 207½ | 207¾ | 2 | 207¾ | 202 |

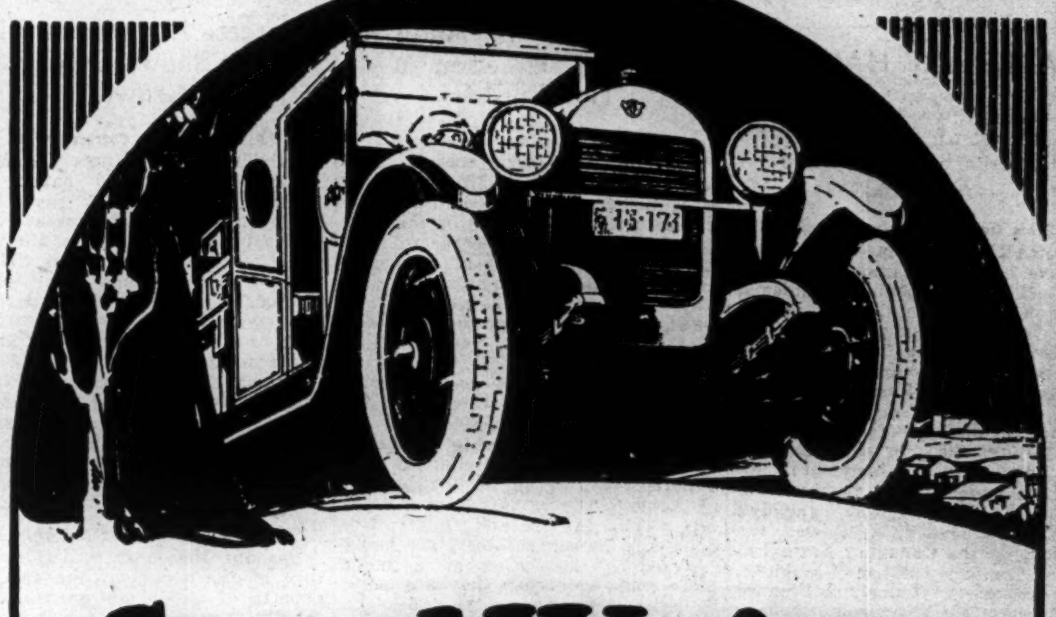
### UNLISTED SECURITIES

| Industrials, Utilities, Etc.— | Bid | Asked |
|---|---|---|
| Can. Assoc. Goldfields | 06 | 08 |
| Can. Westinghouse, pref | 134 | 137 |
| Can. Marconi | 75 | 1.00 |
| Cockshutt Plow, pref. | 26 | 36 |
| Collingwood Shipbuilding, com. | 50 | 60 |
| Cosgrave | 5 | 6 |
| Dom. Linens, com. | 5 | 10 |
| Dom. Linens, pref. | 25 | 35 |
| Dom. Power, pref. | 94 | 97 |
| Dom. Power, com. | 40 | 43 |
| Dunlop Tire 7% pref | 80 | .. |
| Durant Motors (A) | 5 | 6 |
| Durant Motors (B) | 6 | 7 |
| Durant Motors (C) | 7 | 8 |
| Dom. Sewer Pipe, com. | 25 | .. |
| English Elec., com. | 6 | 9 |
| English Elec., pref. | 49 | 52 |
| Famous Players, pref. 50% com. | 68 | 70 |
| Gunns, Ltd., pref. | 34 | 37 |
| Hamilton Pantages, pref. | 46 | 50 |
| Hamilton Pantages, com. | 3½ | .. |
| King Edward Cons. com | 34 | 36 |
| King Edward Cons. pref | 56 | 58 |
| K. & S. Tire, com. | .. | .75 |
| K. & S. Tire, pref. | 15 | 22 |
| Loew's Buffalo, pref. | 58 | .. |
| Loew's Hamilton, pref | 46 | 50 |
| Loew's London, pref. | 5½ | 6 |
| Loew's Montreal, pref. | .. | 25 |
| Loew's Ottawa, pref | 16 | 21 |
| Loew's Toronto, pref. | 66 | 67 |

| | Bid | Asked |
|---|---|---|
| Loew's Toronto, com | 34 | 37 |
| Loblow Groc. 2nd pref. | 120 | 150 |
| Massey-Harris | .. | 30 |
| Mount Royal Hotel, com. | 11 | 14 |
| Mount Royal Hotel, pref. | 42 | .. |
| North Mexico Power, com. | 10 | .. |
| National Brick, pref. | 54 | 57 |
| National Brick, com. | 12 | 15 |
| Robt. Simpson, pref. 6% | 90½ | 92½ |
| Tiger Tire Unit | .. | 10 |
| Western Grocers, pref | 33 | 36 |
| **Loan and Insurance—** | | |
| Brit. Am. Assur. | 6 | 7 |
| Capital Life | 22 | 27 |
| Can. Mortgage | 66 | .. |
| Continental Life | 26 | 29 |
| Crown Life | 98 | .. |
| Excelsior Life | 31½ | .. |
| Great West Life | 220 | .. |
| London Loan | 44 | 48 |
| Manufacturers Life | 55 | 58 |
| Mercantile Trust | 100 | .. |
| Monarch Life, 10% pd. | 13½ | .. |
| National Life, $25 pd. | 50 | .. |
| Ont. Equitable | .. | 20 |
| Peoples Loan | 63 | .. |
| Sovereign Life | 17 | 25 |
| Sun Life 50% pd. | 170 | .. |
| Sun Life 35% pd. | 140 | .. |
| Sterling Bank | 86 | 89 |
| Trusts & Guar. | 68 | 71 |
| Western Assurance | 7 | 8 |

SPEED REO WAGON

THE GOLD STANDARD OF VALUES



Speed Wagon Number 100,000 is now in Service, so is Speed Wagon Number 1, which was built in 1914

*There Is a Reo Dealer Near You*

Reo Motor Car Company of Canada, Limited - Windsor, Ontario

# Nova Scotia Tramways Earnings Declined

From Our Own Correspondent.

MONTREAL.—Little change was shown in earnings figures of Nova Scotia Tramways for 1923. The company had a drop in its earnings from street car lines, but had a good year in the light and power branch.

The annual report for the year ended December 31, 1923, shows that the gross earnings of the company in 1923 were $1,393,979.84, a reduction of $25,491.37, or 1.83 per cent. from the preceding year.

Although expenses were substantially reduced, the net earnings were less than in 1922 by $2,987,93.

Comparative results of operations for the period are as follows :

| | 1923 | 1922 |
|---|---|---|
| Gross earnings | $1,393,979 | $1,419,471 |
| Operating | 964,146 | 987,676 |
| Balance | $ 429,833 | $ 431,794 |
| Taxes | 112,135 | 111,108 |
| Net earnings | $ 317,698 | $ 320,686 |
| Bond interest | 217,496 | 193,862 |
| Balance | $ 100,201 | $ 126,823 |
| Sundry interest | 537 | 5,802 |
| Amortization of debt | ...... | 7,983 |
| Bal. for reserves | $ 99,663 | $ 113,037 |

### ROBERT DIRECTORS RETIRE

It is understood by the Montreal Gazette that at an annual meeting of the Montreal Development and Land Company, Limited, the Robert directors resigned and were replaced by a board of directors representing the present administration of Montreal Tramways and Power. To the board of this latter company, Justice Robidoux, retired, was elected.

A Canadian Statistician

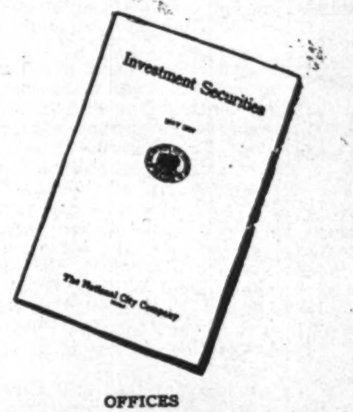
with broad personal experience and thorough training in both economics and law, desires association with some outstanding forward looking Canadian corporation. Replies,

Box 21,

THE FINANCIAL POST

Sound Values

*For Your Safety Deposit Box*



Our May issue of "Investment Securities" contains a selection of sound investment values in Government, Provincial, Municipal, Industrial, Public Utility and Railroad Bonds. From this booklet the investor can readily make a choice of high-grade securities to suit his particular requirements. A copy will be mailed upon request.

Write our nearest office.

The National City Company
Limited

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# PRAIRIE FARMERS BEING MULCTED ON IMPLEMENT STOCK

## Salesmen Getting $2 for $1 Share, Promising Return of $3

## SALES ARE HALTED

### J. E. Davies, of Canadian Farm Implement of Medicine Hat, Cancels Right to Issue Further

From Our Own Correspondent.

CALGARY.—That western farmers have been lured into a questionable stock-selling campaign is alleged by the Calgary Herald in a series of articles now being published.

It is charged that a "high pressure" stock-selling organization in Chicago, known as Russell and Company, of which Herman Garfield is said to be the executive head, has been selling stock in the Canadian Farm Implement Company, of Medicine Hat, under "gross misrepresentation." The stock-selling campaign was organized, so J. E. Davies, the president of the Canadian Farm Implement Company, states, through A. J. B. Fell, of the Industrial Finance Corporation, of Vancouver. Subsequently, it is understood, that Fell entered into an agreement with Russell and Company.

The Herald states that an investigation of this stock-selling "drive," which extends over Alberta, Saskatchewan, Manitoba and British Columbia, has revealed a situation that is amazing and alarming, for already 30,000 shares of a par value of $1.00 have been sold, according to President J. E. Davies, and in all the cases reported to the Herald, the purchasers have paid $2.00 a share, which would mean, were all these shares sold on a like basis, a total of $60,000.

**Rash Promises Alleged**

It is alleged that the Russell salesmen promised that for every $2.00 paid for a share of $1.00 par stock in the Canadian Farm Implement Company, $3.00 would be returned within thirty days, or at latest by the first or fifteenth of April. The time limit set in the cases investigated has expired.

Incidentally it is stated that the present sale of the Canadian Farm Implement Company's stock is intended to finance the purchase of the Alberta Foundry and Machinery Company, of Medicine Hat. J. E. Davies, who is also head of the latter concern, states that no portion of the $2.00 for which the Canadian Farm Implement stock was reported to have been sold, was divided with the Alberta Foundry Company. The Canadian Farm Implement Company's stock, he states, was sold under a separate agreement, at a par value of $1.00 per share, fifteen cents of that amount going to the brokerage firms of Russell and Company and the Industrial Finance Corporation, the remaining 85 cents to Canadian Farm Implement Company.

Another point brought out is the alleged fact that the Canadian Farm Implement Company is taking immediate steps to apply to the Dominion Government for authority to increase the capital of the company from the present $845,427 to $1,500,000. That decision was reached on April 19, when, it is stated, no out-of-town shareholders were present at the meeting.

**Sales Have Been Halted**

According to a decision of the Supreme Court of Canada in the autumn of 1923, a company such as the Canadian Farm Implement Company, holding a Dominion charter, may sell shares in any province without consent of the local tribunal, such as the Utilities Board of Alberta, or Saskatchewan's Local Government Board. Permission which had been granted to sell the stock in Manitoba has been suspended. The exposing of this alleged "high pressure" stock-selling campaign has resulted in stock sales being halted. J. E. Davies, president of the company, has instructed Vancouver not to issue further certificates for stock and has also given instructions that all trust funds for shares, now in possession of the Vancouver firm, shall be held until further notice.

# The Canadian Pulpwood Association Launched

OTTAWA.—With Angus McLean, president of the Bathurst Company, pulp and paper manufacturers, of Bathurst, N. B., as president; Jas. Thompson, of Thompson-Heyland Lumber Company, Ltd., Toronto; Armand Auger, of Auger & Sons, Ltd., Quebec, and Ralph P. Bell, of Halifax, vice-presidents, a new trade organization under the name of "The Canadian Pulpwood Association" has been launched. In addition to the foregoing officers, who are all permanently identified with the business in their respective provinces, the executive comprises the following operators and producers: J. O. Auger, Quebec; D. H. Pennington, C. E. D'Auteuil and Frank Byrne, Quebec; M. E. Walley and C. C. Goodhue, Sherbrooke; F. W. Perras, Gracefield; R. Girouard, Smiths Falls; T. J. Rankin, Eganville; W. Roy Smith, Annapolis Royal; Chas. E. Clowes, Fredericton.

The objects of the new association are defined as being:

(a) General and dominion-wide cooperation in all movements aiming at forest conservation, fire protection and improved operating methods.

(b) The investigation and study of all matters of general interest to owners, producers, jobbers and dealers; the collection, classification and distribution to members of all statistics of any value directly relating to the business; the encouragement of a frank exchange among members of information that would in any way assist in stabilizing or otherwise improving the conditions under which the business is now carried on.

(c) To generally promote the interest and conserve the rights of those engaged in pulpwood operations.

# Pulp and Paper Securities

# FIRE AND FUNGI DESTROYING MORE WOOD THAN SAW

## An Estimate is Made of Annual Depletion of Our Forests

From Our Own Correspondent.

MONTREAL.—The Dominion Bureau of Statistics has initiated an interesting work in the compilation for the first time of records of the timber cut in Canada. The record indicates the total cut for all purposes, including saw logs, pulpwood, railway ties, wood for distillation, firewood, etc. It will provide an idea of the rate at which Canadian forests are being exploited.

The fullest benefit cannot come from the information because it has not yet been supplemented with accurate estimates of the total amount of timber standing in Canada and satisfactory records of the amount of standing timber destroyed in Canada yearly by fire and fungi. Undoubtedly Canada's forests are being depelted by the latter at a much more rapid rate than they are being depleted by the axe or the saw. The Bureau of Statistics makes a rough estimate along this line which is moderate in its conception of the loss through such destructive agencies as fire and fungi for while it gives the annual cut of timber in Canada as 2,377,845,182 cubic feet, it states that destruction from other forces probably brings the total depletion to more than five billion cubic feet per annum.

**Exports of Raw Wood**

The figures indicate total exportation of unmanufactured forest products in Canada in 1922 of 216,172,405 cubic feet, to which a valuation of $19,550,672 is given. By unmanufactured forest products is evidently meant absolutely raw logs. Lumber would be considered a manufactured product. This exported raw material represented about 9 per cent. of the forest production and was made up chiefly of pulpwood—118,000,000 cubic feet—and smaller quantities of logs, square timber, railway ties and miscellaneous products. It seems apparent from these figures that absolute prohibition of exports of pulpwood and hardwoods would give Canada the benefit of additional revenue from this timber now going out of the country in an unmanufactured state.

With regard to annual consumption for use, the production of firewood is the heaviest drain on our forest resources amounting in 1922 to almost nine million cords or an equivalent of almost eight hundred and fifty million cubic feet of standing timber. Logs for Canadian sawmills came second with almost three and a half billion feet board measure, equivalent to seven hundred and fifty million cubic feet of timber. Pulpwood for Canadian pulp and paper mills amounted to about three million cords, equivalent to about three hundred and fifty million cubic feet. Other products in order of importance from the quantity standpoint were, railway ties, pulpwood for export, logs for export, fencing material, mining timber, square timber for export, hardwood for distillation, poles and miscellaneous products.

**Quebec Leads in Forestry**

Quebec heads the list in forest production both for quantity of material and value of products. This province heads the list in the production of firewood, pulpwood, fencing material, square timber for export and miscellaneous products. It also contributes a large proportion of the saw logs, railway ties, poles and hardwood for distillation.

Ontario is next in importance heading the list for railway ties and wood for distillation and taking second place in the production of firewood, pulpwood, saw logs and miscellaneous products.

British Columbia, the third most important province, heads the list for saw logs and poles, and produces considerable quantities of pulpwood. Nova Scotia and New Brunswick are also producers of pulpwood in addition to other forest products, but there is little or no pulpwood produced in the Prairie Provinces or Prince Edward Island.

**CANADIAN FOREST OUTPUT, 1922**

| Products | Equiv. vol. in stand. timb. cu. ft. | Total Value |
|---|---|---|
| Firewood | 841,780,560 | $38,228,702 |
| Ties | 174,696,756 | 13,215,986 |
| Poles | 5,679,687 | 1,707,378 |
| Posts | 27,697,138 | 1,354,268 |
| Rails | 10,530,650 | 450,133 |
| Mining timber | 15,436,434 | 1,721,025 |
| Wood distil. | 7,277,787 | 479,299 |
| Logs sawn | 746,409,816 | 55,066,273 |
| Pulpwood used | 340,775,136 | 40,375,599 |
| Miscellaneous products | 9,927,216 | 850,078 |
| Square timber exported | 12,075,660 | 1,492,344 |
| Logs exported | 40,622,091 | 3,270,575 |
| Pulpwood export. | 118,325,844 | 10,359,762 |
| Miscellaneous exports | 26,610,597 | 2,278,674 |
| Total | 2,377,845,182 | $170,850,096 |

**Production by Provinces**

| | cu. ft. | $ |
|---|---|---|
| Quebec | 794,950,736 | 56,981,829 |
| Ontario | 655,604,824 | 52,639,909 |
| British Columbia | 447,433,011 | 30,666,860 |
| New Brunswick | 200,993,104 | 15,628,228 |
| Nova Scotia | 107,604,716 | 7,079,738 |
| Alberta | 54,821,103 | 2,502,151 |
| Manitoba | 52,097,177 | 2,595,641 |
| Saskatchewan | 49,398,813 | 2,088,626 |
| P. E. Island | 14,941,598 | 667,114 |

# ONE-SEVENTH OF TOTAL EXPORTS PULP AND PAPER

## Complete Record In Fiscal Year Shows Excellent Growth

From Our Own Correspondent.

MONTREAL.—Figures for March exports of pulp and paper from Canadian mills are now ready, completing another fiscal year and making it pertinent to again study the continued expansion in this field.

Exports in pulp and paper totalled $20,000,000 more than in the 1923 fiscal year and approaching fairly close to the high record of 1921 when prices were at a much higher level. Canadian exports of pulp and paper totalled $142,000,000 in the year just closed and as Canadian exports as a whole just went over the billion mark it can be seen that the pulp and paper industry contributed one-seventh of the total exports of Canada.

**Larger Growth in Paper**

Perhaps the most gratifying feature of the record is the fact that exports of paper are growing more rapidly than exports of pulp. Paper is a finished product while pulp is a product that has gone through only a portion of the stages of manufacture required to make it a useful commodity. Naturally paper brings a higher revenue to Canada for the same amount of raw material used. Completion of the manufacture of pulp into paper within Canada is the more desired in that it provides for the mills Canadian control of all the processes from the forest to the consumer and experience has shown that the self-contained mills have been more successful financially than the mills manufacturing pulp alone. In 1921, the big year in pulp and paper from the standpoint of valuation, 58 per cent. of Canadian pulp and paper exports represented paper while in the 1924 fiscal year 67 per cent. of total exports were paper. The record for some years back, showing total exports of paper; of pulp and paper; and the percentage paper exports bear to the total is as follows:

| | Total Pulp & Paper | Paper | % of Paper to Total |
|---|---|---|---|
| 1911 | $ 8,639,984 | $ 3,924,452 | 45 |
| 1912 | 8,960,186 | 3,885,888 | 43 |
| 1913 | 11,850,632 | 6,341,088 | 55 |
| 1914 | 19,055,373 | 12,690,549 | 74 |
| 1915 | 27,107,997 | 15,500,064 | 57 |
| 1916 | 28,077,882 | 20,042,806 | 70 |
| 1917 | 46,521,877 | 26,107,824 | 56 |
| 1918 | 63,506,222 | 37,865,330 | 60 |
| 1919 | 83,862,566 | 49,165,795 | 58 |
| 1920 | 104,636,901 | 63,253,419 | 60 |
| 1921 | 163,655,344 | 92,103,307 | 58 |
| 1922 | 105,478,295 | 69,533,418 | 66 |
| 1923 | 122,554,889 | 79,567,941 | 65 |
| 1924 | 142,131,758 | 95,957,962 | 67 |

**Newsprint Exports Large**

The largest part of the increase in exports for 1922 was in newsprint which provided an increase in valuation of $16,000,000 or 80 per cent. of the total increase in all exports. There were some increases in other kinds of paper but on the whole these increases were not great.

**Pulpwood Going Out**

Perhaps a less satisfactory feature is the increase during the year in the exports of pulpwood. This was largely due to the "scare" in mid-summer last concerning the possibility of an embargo on such exports although later the exporters seemed to take for granted that the government had lain down on the embargo question and they eased up on their feverish shipments. Exports of pulpwood during the year amounted to 1,444,693 cords, valued at $14,322,714, as against 1,096,462 cords valued at $10,755,655 in 1923.

# HOWARD SMITH WILL CLOSE KINLEITH MILL

## Buying up Goodwill and Business Only and Will Take Out Machines

From Our Own Correspondent.

MONTREAL.—If the deal for the purchase of the Kinleith Paper Mills by Howard Smith Paper Mills goes through on the terms now being discussed between the two companies, it will mean some addition to Howard Smith's output and sales of paper, but it will not mean the addition of a new plant to Howard Smith's present three. It is planned, THE FINANCIAL POST learns, to scrap the Kinleith mill and divide its two paper machines and other equipment among the other Howard Smith mills. The Kinleith mill is not a low cost mill, and it is felt that greater economy would be effected by continuing to concentrate Howard Smith production in the present plants, none of which are many miles from Montreal.

The Kinleith company's mill is at St. Catharines, Ontario, which has in the past generation or so grown into an important pulp and paper-producing centre. The mill manufactures a line of paper similar to that manufactured by Howard Smith at their Cornwall mill—book and writing. It has a capacity of about 20 tons a day. The mill was formerly owned by Sir William Gage, Toronto manufacturing stationer, and his associates, and is now controlled by the same people who control William Gage and Company. H. F. E. Kent, last year's president of the Canadian Pulp and Paper Association, is president of Kinleith Mills.

It is understood that Howard Smith is acquiring the property on very advantageous terms, paying for little more than goodwill. Howard Smith has in the past had business connections with Kinleith, having supplied the St. Catharines mill with pulp it did not manufacture.

# PRICE BROTHERS EARNED DIVIDEND TWICE IN 1923-4

## Company is Going Ahead With Construction of New Mills

From Our Own Correspondent.

MONTREAL. — Confirmation of THE FINANCIAL POST'S statement that Price Brothers are going right ahead with their programme of newsprint expansion is contained in the annual report for the twelve months to February 29, 1924, just issued. The president, Sir William Price, says: "The extension to the company's Kenogamia mill is nearing completion. The plans for the second mill are practically completed, and construction will be commenced this spring. The choice of location of the third mill is practically decided upon and a certain amount of preparatory work has already been done.

"After a careful study of the company's wood resources your directors are of the opinion that a fourth mill will require to be built."

**Earned Dividends Twice**

Price Brothers had a greatly improved year and earned $4 per share on the common stock, equivalent to twice the rate of dividends paid during the year.

Profit and loss accounts for the past three years compare as follows:

| | 1923-24 | 1922-23 | 1921-22 |
|---|---|---|---|
| Net prof. | $3,408,966 | $2,338,934 | $1,327,332 |
| xInterest | 551,515 | 419,976 | 421,977 |
| Depln. and deprn. | 1,142,013 | 700,096 | ...... |
| Net inc. | $1,715,438 | $1,218,862 | $ 905,345 |
| Divids. | 853,664 | 853,664 | 1,067,080 |
| Surplus | $ 861,774 | $ 365,198 | d$ 161,725 |
| Prev. surp. | 706,544 | †341,346 | 651,992 |
| Ttl. surp. | $1,568,318 | $ 706,544 | $ 490,267 |

x Includes bond and other interest and sinking fund requirements.

d. Deficit before provision for Federal income tax.

† After adjustment of federal income tax.

**Working Capital Lower**

The company's balance sheet has been greatly changed by the financing done during the year in the shape of an issue of $10,000,000 of bonds. Fixed assets are up by $4,000,000, and investments by $2,000,000. The company has also acquired a heavy bank loan during the year and this has served to reduce working capital somewhat. Working capital position compares as follows:

| | 1924 | 1923 | 1922 |
|---|---|---|---|
| Curr. assets | $5,564,043 | $3,870,102 | $5,703,390 |
| Curr. liabs. | 3,029,449 | 910,317 | 3,014,043 |
| Net wk. cap. | $2,534,594 | $2,959,785 | $2,689,347 |

The fact that working capital has been reduced while the company's construction programme is not yet complete seems to forecast the possibility of further financing. The company's bond issue is authorized at $25,000,000.

Sir William Price says in his report:

"These results, in the opinion of your directors, are satisfactory, and coupled with the position of the company, as disclosed in the attached balance sheet would reflect conditions as being nearer normal than for the previous two years.

"During the year under review, the returns from the lumber branch of the business show satisfactory profits and practically no stocks on hand.

"The hydro electric development of the Grand Discharge power by the Quebec Development Company, Limited, in which your company has a twenty-five per cent. interest, is proceeding in accordance with program.

"All expenses in connection with the redemption of the old bond issue and the issuing of series A of the new authorized $25,000,000 first mortgage twenty-year sinking fund six per cent. gold bonds have been written out of accounts of the company."

# Spanish River Stocks Divided Between 2,000

MONTREAL.—Spanish River Pulp and Paper Mills' stock is not as widely distributed as might at first seem to be the case when the great public interest in the stock is considered. There are many more preferred than common shareholders.

The company has 1,450 preferred stock shareholders and 635 common stock holders.

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## Western Canada's Great Need is Export Markets

WINNIPEG.—The importance to Western Canada of a substantial reduction in existing ocean freight rates on cattle was emphasized in a lengthy memorandum submitted to the Imperial Shipping Committee by The Manitoba Free Press.

"If Canada is to develop," said the statement in a summary of the case, "she must increase her production of live stock and maintain her production of wheat. Unless transportation costs enable these products to be placed in these markets under conditions which permit some return to their producers, these markets are in fact non-existent."

"That is, or will be, in the immediate future, the fact so far as the export trade in cattle from Western Canada is concerned. The expectations created in Western Canada by the removal of the embargo proved illusions. There is no market under existing conditions for 'store' cattle in Great Britain, and this is due directly to the fact that the ocean rate on cattle is maintained at a level which brings it entirely out of relation to the railway rates on land as fixed by the pre-war conditions.

"In the belief that this rate is extortionate and uneconomic, tending to destroy a trade which an enlightened shipping interest should be keen to encourage, the agriculturists of Western Canada will, we are convinced, seek a remedy from every quarter that is available, reserving as their last alternative a demand upon the Government of Canada for such action as will give them a rate on cattle to Great Britain in keeping with the economic requirements of the trade."

## IF WE HOLD OUR POWER, FACTORIES WILL COME HERE

### Southern States are Expanding Rapidly Because of Power

### EXPORT OPPOSED

### Business Leader Endorses the View That Canada Should Conserve Her Power For Own Use

From Our Own Correspondent.

MONTREAL.—A Canadian business leader, who has interested himself greatly in power development, makes an interesting comparison between the Southern United States and Canada at the present time. He points to the present industrial ascendancy of the South. Factories are springing up in various districts: prosperity is following in the wake of industrial expansion, and a new South is coming into being. Various factors have contributed to this rebirth of a stagnant country, cheap labor, and the plentitude of raw materials, such as cotton and timber, being among them. But no factor has been of greater importance than the fact that the Southern United States has plenty of cheap and easily available power. In Alabama; in Tennessee: adjacent to the Mississippi; in the various mountainous regions; there is plenty of water power that has been running undeveloped but that is now being harnessed to supply the motive energy of industry and the comforts of community life.

### Industries Flocking In

This cheap power has attracted industry as a magnet draws steel filings. In many instances the groups of capitalists who have built the control dams, the penstocks and the power houses have put additional capital into suitable industries to utilize the power. J. B. Duke, the American tobacco king, has developed several power sites in the Southern States and has built textile factories to utilize the power. Textile factories use a high proportion of power and they also utilize raw cotton as their raw material. Thus the conjunction of power and cotton in the South has made it the logical location for cotton textile industries and the factories built there have gotten their costs down to well below the costs of the New England mills that have been established for generations and that were originally built around the basis of the at one time plentiful power of Massachusetts. The situation has become acute for the New England mills, some of whom have decided to move bag and baggage to the South.

### Industries Follow Power

All of this is interesting for it demonstrates that industries follow power. Given similarity of conditions as regards supply of raw material the community or country that furnish the cheapest power will get the industries. Labor is an important factor but is more mobile than either power or raw material supply and where there is power to be had there is usually plenty of labor.

The Canadian business man quoted finds in the parallel definite proof of the necessity of Canada's keeping control of her supplies of electrical energy derived from water power. Canada, he contends, should hold "Canadian power for Canadian industry," and gives absolute endorsement to the editorial in THE FINANCIAL POST a few weeks ago under that heading. No licenses to export power from Canada should be granted even for periods of a few years. Canada at the present time cannot utilize the power that could be developed in this country but as it is more and more realized that Canada will not export its power industries will come in and the power will be gradually absorbed. The rate of growth in the development and sale of power in Canada to-day is remarkably rapid.

### The Political Side Of It

It would be dangerous to sell power to the United States hoping to cut off the supply to users in that country as the demand grows in Canada. Experience in individual instances has proven that it is a very delicate matter to attempt to cut off the supply of power to the States. The Ontario Hydro-Electric Commission, for instance, has complained about the shortage of power for its Canadian consumers and is still exporting power to the States. Strong political influences are to be reckoned with. It is safer not to get into complications in the first place by permitting industries to be built up across the border on the strength of Canadian power supplies.

Very serious attempts are being made at the present time to get long-term licenses from Ottawa for the export of Canadian power. One group of bankers and power men, planning to develop the Ottawa River, are holding up their plans until they can get assurance of permission to sell the bulk of the power in New England. So far the government has declined their request, and wisely so, most business men will agree. The Duke group, developing power at the Grand Discharge of Lake St. John, have also sought permission to sell power in New England. This has not been given them. Their initial development, now under construction, provides for the generation of about 225,000 h.p. Were export permission granted it is likely that three times that would be immediately developed. But the revenue to Canada from the additional 500,000 h.p. would be a mere bagatelle compared with the revenue to Canada of a group of industries built in Canada to absorb 500,000 h.p.

Some of the industries that use large quantities of power and might be built chiefly because of the available power in Canada, and which could use Canada as a base for export operations, are the electrochemical industries producing calcium carbide and acetic acid; nitrate industries providing fertilizers for use in agriculture; electro-smelting industries in steel and allied lines; pulp and paper industries, etc.

## DOMINION TEXTILE AT 60% OF CAPACITY

### Mills Still Feeling Effect of Conditions Prevailing In The Industry

From Our Own Correspondent.

MONTREAL.—No date has yet been fixed for the annual meeting of the Dominion Textile Company but it is likely to be held some time in June with the statement coming out in about four or five weeks. The statement will reflect conditions in the textile industry. The profit and loss will not be very satisfactory but the company's balance sheet will indicate a continuance of the strong and liquid position that has been shown by previous statements. This year's report will be the first annual report of the new Dominion Textile Company organized when the stock was split up two years ago.

Textile's mills are running between 60 and 70 per cent. of capacity. The company is still feeling a certain amount of competition from British-made goods, which can come into Canada because of high Canadian costs and fairly low tariffs. Mainly, however, its present slackness is due to the quiet business generally in Canada in most lines and the quiet textile trade the world over.

The budget contained nothing directly of interest to the cotton textile mills. There was neither relief for them in the form of higher tariffs nor blows in the shape of further cuts. The heads of the various textile mills felt, however, that the budget was unsatisfactory. They took the view that the budget was not in the best interests of Canada as a whole and state that what affects Canada naturally affects them.

## NOVA SCOTIA'S APPLE EXPORTS

KENTVILLE.—The Nova Scotia apple shipping season is about over and the warehouses are closed. From Berwick station alone, 670 cars or 142,000 barrels, and over 2,000 boxes, have been shipped out, compared with 112,000 barrels and 3,000 boxes last season. Prices received by the growers have, on the whole, been fair.

THE ROYAL BANK OF CANADA
Statement to the
Dominion Government (Condensed)
March 31, 1924.
Head Office
MONTREAL

| LIABILITIES. | |
|---|---|
| Capital Paid Up | $ 20,400,000.00 |
| Reserve Fund | 20,400,000.00 |
| Undivided Profits | 1,085,830.67 |
| Notes in Circulation | 29,854,648.74 |
| Deposits | 457,075,722.01 |
| Due to other Banks | 14,157,510.16 |
| Bills Payable (Acceptances by London Branch) | 5,521,142.89 |
| Letters of Credit outstanding | 20,210,248.23 |
| | $568,705,102.70 |
| ASSETS. | |
| Cash on Hand and in Banks | $104,724,748.45 |
| Deposit in the Central Gold Reserves | 10,500,000.00 |
| Government and Municipal Securities | 63,850,710.35 |
| Railway and other Bonds, Debentures and Stocks | 12,004,914.94 |
| Call Loans in Canada | 17,365,435.25 |
| Call Loans elsewhere than in Canada | 49,470,557.84 |
| | $257,916,366.83 |
| Loans and Discounts | 273,769,064.83 |
| Liabilities of Customers under Letters of Credit as per contra | 20,210,248.23 |
| Bank Premises | 13,681,974.93 |
| Real Estate other than Bank Premises | 1,700,650.51 |
| Mortgages on Real Estate sold by the Bank | 406,797.37 |
| Deposit with Dominion Government for Security of Note Circulation | 1,020,000.00 |
| | $568,705,102.70 |

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## CANADIAN STEEL FOR NEW ZEALAND

### Important Shipments are Being Made Direct From N.S.—Big Rail Output

From Our Own Correspondent.

SYDNEY.—After having been busy for some months rolling 25,000 tons of 100-pound rails for the C. N. R., the Besco rail plant will be idle for a few days while the rolls are being changed to permit of the production of 30,000 tons of 85-pound rails, which constitute the balance of an order received from the National lines toward the close of 1923. There is said to be another rail order on the books to keep the mills busy when this one is exhausted, but the details have not yet been announced by Besco headquarters.

Attention is again called to the demand for Canadian steel products in distant Empire markets, by the sailing from Louisburg of the S. S. Tremeadow, which is carrying fencing and other wire products to far-off New Zealand. She carries about 1,000 tons of Sydney steel.

The present period of steady employment in the Besco mines has led to the largest influx of Newfoundland labor experienced in recent years. Within the past week about 100 new men from the island have been given work in and about the mines, in addition to hundreds of former employees who went home to Newfoundland and engaged in the fishing business during the slack periods in the steel and coal trade.

## Considerable Losses On National Railway Hotels

OTTAWA.—The ten hotels operated in Canada in connection with the Canadian National Railways operated last year at a total deficit of $175,475, it was shown in a return tabled in the House of Commons. Operating revenue totalled $1,776,226, and expenditure totalled $1,957,701. Only the Grand Beach, (Manitoba), tne Chateau Laurier, Ottawa, and the Prince Arthur in Port Arthur, show a profit. Of the balance the Fort Garry in Winnipeg shows the largest deficit, $140,416.

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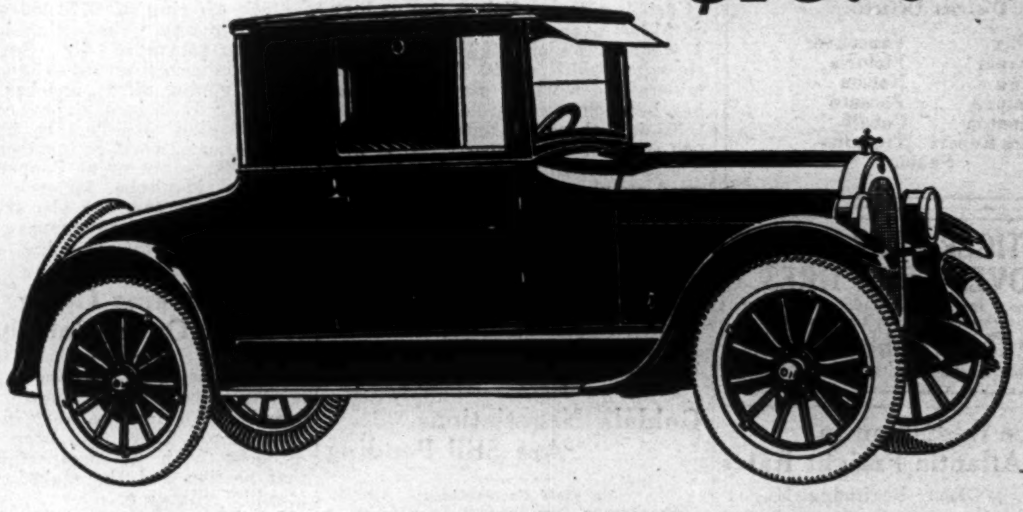

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## May be Reduction in Atlantic Freight Rates

NEW YORK.—Beginning May 1 eastbound transatlantic freight rates will be about 20 to 25 per cent. higher than those now prevailing. The increase results from a readjustment and applies largely to commodities which heretofore have moved at low commodity rates.

The revised tariffs, agreed to by all steamship companies, including United States Shipping Board lines will affect principally shipments to such continental ports as Rotterdam Antwerp, Hamburg and Bremen, but not to French ports. For some time ocean freight rates have been abnormally low. These higher levels will at least serve to reduce losses sustained in such traffic, and will bring transatlantic rates nearer a profitable basis than they have been in a number of years.

## The Grain Movement

OTTAWA.—Preliminary figures showing the receipts at the head of the lakes also Vancouver, B.C., for the period from September 1st, 1923, to April 17th, 1924.

| | Ft. William and Pt. Arthur | Vancouver B.C. |
|---|---|---|
| Wheat .. .. .. | 239,854,780 | 39,520,709 |
| Oats .. .. .. .. | 30,638,301 | 259,249 |
| Barley .. .. .. | 11,536,957 | 46,285 |
| Flax .. .. .. .. | 3,554,831 | ...... |
| Rye .. .. .. .. | 4,300,562 | 188,838 |
| Totals .. .. .. | 289,885,431 | 40,015,081 |
| Same period 1923 .. .. .. | 289,188,923 | 38,262,515 |
| Increase over | | |

# MINING NEWS FOR THE INVESTOR

## ARGONAUT TO SINK NEW SHAFT DURING COMING SUMMER

### Ore Reserves Have Steadily Increased—Development on 25 Level Will Be Important

Argonaut Gold Mines in East Kirkland will sink a new three-compartment shaft this summer. The substantial manner in which ore reserves are piling up not only warrants but dictates such action.

As a consequence of good milling results and the cessation of trouble with base metals in their ore, some of the company's shareholders are perhaps looking for the declaring of an early dividend. The situation with Argonaut, however, was the same with many other companies whose primary reason for starting milling was not to pay dividends but to finance further underground development. Argonaut is now milling 100 tons a day in its 200-ton mill and the management feels it would not be justified in making dividend payments which might tend to jeopardize the future of the mine.

The intention is now to sink a winze from the 500-foot level to the 625. Work on this new level will reveal the best position in which to sink the new shaft which should be down by next autumn. When this is completed THE FINANCIAL POST learns that should development warrant it, the present milling capacity will be raised to 300 tons. As this addition was allowed for in the original plans, the cost of this increase should not prove serious.

## CANADIAN KIRKLAND BEING DEWATERED

### J. W. Morrison Will Have Charge of Developing This Important Group

The recent announcement that Hunton Gold Mines had encountered spectacular ore by diamond drill created quite an interest in the south-west extension of the Kirkland Lake ore area. Now comes the announcement that Canadian Kirkland is being de-watered and that early in May mining operations will be actively resumed. Another announcement of importance is that J. W. Morrison who was in charge of the development of Lake Shore and later in charge of Argonaut development, will have charge of the Canadian Kirkland operations.

Canadian Kirkland has sufficient stock in the treasury to not only take care of development but later on finance a mill when one is needed. Surface prospecting has revealed the presence of 16 veins but development to date has been confined to two of them. The property has been opened to a depth of 400 ft. On this level some cross-cutting has been done and two veins intersected. These veins showed consistent widths up to ten feet of well-mineralized ore, giving encouraging values. The veins are typical of the camp and the expectations are that further work will reveal commercial ore shoots. On the 100-ft. level vein No. 1, on which the shaft is sunk, proved to be well mineralized and showed a width around six feet in the small amount of drifting done. Values run as high as $12.50 over that width. Vein No. 2 was cut on the 150-ft. level and shows a width of 10 feet of well-mineralized matter. Just the station has been cut on the 300-ft. level.

To date there has been about $125,000 spent on the property. It is well equipped with mining plant and a good supply of wood is on hand for the resumption of work. Canadian Kirkland is one of the Tough enterprises, the property having been taken up several years ago. Besides the main property of 260 acres the company also owns 160 acres north of the Teck-Hughes and known as the Fidelity, on which $65,000 has been spent.

## Goldale Negotiations Are Still Pending

By Staff Correspondent.

TIMMINS.—Negotiations in regard to Goldale continue. It is understood that interests associated with that concern are quite jubilant that they were able to get control of Armstrong-Booth in conjunction with Coniagas. For a time it looked as if McIntyre would get this as well as the Planaurum. It is difficult to tell just what will be done with Goldale but it is expected that May will not be very old before an announcement will be made.

### DOME MINES PRODUCTION

Production of Dome Mines, for the three months ending March 31, 1924, was valued at $1,031,933. The number of tons milled was 116,700, and the average recovery 8.843 per ton. Operating and general costs were equal to $4.842 per ton, and amounted to $565,009. After deduction of estimated Dominion income tax of $26,635 earnings from operations before provision for depreciation and depletion, totalled $440,289. To this has been added miscellaneous earnings of $65,183, bringing the total revenue to $505,472, as compared with $664,613 in the previous quarter.

The Union Trust Company has been appointed registrar and transfer agent for the Canada Gold Syndicate and the Foster Cobalt Mines.

Ore receipts at the Trail Smelter of the Consolidated Mining & Smelting Co., for the period April 15 to April 21, totalled 10,537 tons, while from January 1 to April 21, the total was 148,985.

## Market No Reflection of Mines' True Position

The mining market shows some signs of strengthening. Mining Corporation on the strength of a report of an important development on the frontier, where 22 inches of high-grade were opened up, has shown quite a spurt, moving up some 30 points almost as soon as the news broke.

A trip through the north reveals many dissatisfied stockholders. Up there they know the conditions of the mines, but do not understand the market. They are quite critical. The mining position to-day was never better. To the northerner there is hardly a stock on the boards that is not a good buy from a strictly mining point of view. They cannot understand why so many stocks are selling so far below what they consider their intrinsic value. On the other hand, there are those who think the market has been too high and is to-day nearer a true value.

Wetlauffer shows a new activity, the buying evidently coming from the insiders getting in before the announcement that they would reopen becomes public property. Tough-Oakes-Burnside has stood up well, and showed a recovery. Developments at the property are about all that could be desired.

Hollinger has been selling well. The big mine recently made a record when it passed 5,300 tons through the mill in one day.

Dome is considered by all to be selling below its true worth. The break in this stock is a reflection of the annual meeting row. Vipond development is coming along excellently. Reserves are now well past the $3,000,000 mark. Wright-Hargreaves development has been excellent and shapes up well. Lake Shore is nearing the desired goal, when the 300-ton mill will turn over. Night Hawk stock is being held quite close. There is a farcical bid of 60 on the market, but no stock is offering. Castle has stood the depression in the market well. Its mill is now running. Capital and Everett have weakened a little with the others, but are driving ahead with development.

In Lorrain there is a great activity pending as soon as the road gets better. Keeley is driving ahead, as is also Mining Corporation. Wetlauffer will reopen. Trout Lake is doing well. Clifton is preparing for heavy work. Lakeside and Canadian Lorrain are driving ahead. In fact, the whole country is a scene of great activity, just contrary to the depressed market.

## MANITOBA FACING BIG MINING BOOM

### Herb and Elbow Lake Areas as Well as Central Manitoba Scene of Activity

By D. E. CUSHING,
Mining Editor, The Financial Post.

THE PAS.—Northern Manitoba is facing a tremendous mining activity for the coming summer. A number of Ontario engineers and prospectors are coming in to look over various properties. Several syndicates are getting work under way on their properties. The Mining Corporation is working on four groups in the Herb Lake area. Something is expected of the Gordon Murray group at Elbow Lake. Bingo is meeting with excellent successes. It is the most developed property and the pioneer of the Herb Lake area. It was recently announced that a stock offering of £150,000 was all taken up by the shareholders. Wesuska, controlled by Saskatoon people, is carrying out a creditable pioneer mining effort, and has a fine property. It is in a strong position. P. J. Gordon and Toronto interests will do some work on a strong and spectacular property at Copper Lake.

Central Manitoba, formerly known as Rice Lake areas, are also expecting some interesting developments. Some important concerns are going in there.

## Heavy Staking Going On in Matachewan

Matachewan, in the minds of many mining men in the north, gives promise of being the next big mining camp. There has been a tremendous rush of prospectors into that section and the staked area is steadily enlarging.

In the meantime a great deal of work is being done on many properties. Of course, all eyes are on the Matachewan Canadian because of the interest which large English mining people are showing in that group. It is believed that this property is a real mine and it is understood that the people taking it over are going on the assumption that they will be able to develop a really big mine.

### NEW NIGHT HAWK HEAD

#### Douglas Mutch Will Assume Active Management—Had Wide Experience

Douglas Mutch is to be the new manager of Night Hawk Peninsular mine, succeeding A. R. Globe. Mr. Mutch was some years ago with the Silver Queen, Cobalt, and later with Trethewey, Dome Lake and then the Ankerite when it was under option by Coniagas. Since then he has been at the smelter at Thorold and leaves that to go to Night Hawk.

### DR. BELL IN TUDHOPE TP.

Pete Farrar's claim in the North-West Tudhope Tp. a couple of miles east of Elk Lake, is under option to Dr. Bell, Huronia Belt Co. Several narrow high-grade veins are showing on the property. O'Brien interests held an option on a large group in the same township but let it go.

## IMPORTANT SHOOT OF ORE OPENED ON OLD FOLEY MINE

### Resampling Has Shown That High Values Persist Throughout the Mine

Spectacular developments are being carried out on the Foley mine, Northwestern Ontario, by British-Canadian Mines. In the resampling of the mine some 60 new samples were taken, and they compared so favorably with the first spectacular showing that it was decided that further resampling was unnecessary. Sixty feet of drifting have just been completed on the Bonanza vein, and it shows a width of from 18 to 33 inches, with values running from $77 tho $120. Indications are that the 400 level is just above an important ore shoot, as the vein shows a strong tendency to widen. A large portion of the gold values are in conjunction with sulphides, which is considered important. A crosscut is also being run to cut the Jumbo vein on the same level. It is expected that this vein will have widened to about 10 feet on the 400 level. In the meantime, the south shaft is being dewatered with the idea of developing the Daisy vein believed to be an extension of the Jumbo. This showed good consistant surface values. Surface work is being done on "A" vein, and if they stand up it will be crosscut to the 400 level

## Wetlauffer Resuming Operations at Once

Wetlauffer will resume mining operations at once. This interesting property adjoins the Keeley on the east and south, and, according to the geological maps, the Woods vein cuts the southwestern corner of the property. Production to date on the property has been 2,564,584 ounces, and practically no silver has been taken out of it since 1913. Wetlauffer has about $80,000 cash in the treasury and has a pretty fair mining plant with which to go ahead. Wetlauffer shaft is pumped out down to about 300-ft. owing to the water passing through a cross vein into the underground workings. It is believed it will take a couple of weeks to dewater the property.

## Alberta Gas Well Has Tremendous Gas Flow

From Our Own Correspondent.

CALGARY.—The Rogers-Imperial well, in the Sweetgrass district of Southern Alberta, blew in a "gasser" on April 22 at a depth of 2,528 feet. The force of the rush of gas was so great that it hurled the boring tools, weighing a ton and a half, into the air. The well is now about under control. For 24 hours it measured a flow of 62,480,000 ft., which is more than double the flow of the famous "Old Glory" well at Bow Island. At the present production this one well would take care of the needs of Calgary and Lethbridge.

Whether the gas will be followed by an oil flow is not, of course, possible at present to say, but it will undoubtedly in the meantime give a very decided impetus to oil development in Alberta.

### SILVER AND OTHER METALS

| April | 24 | 28 | 29 | 30 |
|---|---|---|---|---|
| Silver— | | | | |
| London (P) | 33 | 33 | 33 | 32 13/16 |
| New York | 64½ | 64⅜ | 64⅜ | 63⅞ |
| Copper | 13⅝ | 13½ | 13½ | 13½ |
| Lead | 8.25 | 8.00 | 8.00 | 8.00 |
| Zinc | 6.12 | 6.05 | 6.00 | 5.95 |

### Mining Stock Quotations

Week Ending April 29.

| | High | Low | Close Apr. 29 | Close Apr. 22 |
|---|---|---|---|---|
| Apex. . . . . . | 2½ | 2¼ | 2½ | 2¼ |
| Argonaut . . | 50 | 47 | 48½ | 47 |
| Atlas .... .. . | 3⅜ | 3⅜ | 3⅜ | 3⅜ |
| Baldwin . .. . | 3⅛ | 3 | 3⅛ | 3 |
| Beatty . . ... | 4 | 4 | 4 | 3½ |
| Beatty Rts. . . | 3¼ | 2⅜ | 3¼ | 3½ |
| Beaver ... ... | 23 | 22 | 22⅞ | 22½ |
| Bidgood ... .. | 9½ | 8⅝ | 8⅝ | 9¾ |
| Buckingham . . | 3¼ | 2⅝ | 3¼ | 3⅜ |
| Can. Lorrain . | 42½ | 41⅝ | 34 | 35 |
| Capital . . ... | 35½ | 34 | 34 | 35 |
| Castle Treth.. . | 78 | 73 | 74 | 75½ |
| Clifton, Con. . | 17 | 15 | 15 | 17 |
| Cons. Smelters | 34½ | 34¼ | 34¼ | 34½ |
| C'ns. W'st D'me | 25½ | 23½ | 23½ | 25¼ |
| Col. Kirkland.. | 7⅜ | 6 | 6 | 6¾ |
| Crown Reserve. | 58 | 53 | 54 | 61 |
| Dome Mines. . | 16.50 | 15.50 | 15.60 | 16.70 |
| Everett ... ... | 10 | 9 | 9 | 10 |
| Gold Reef .. .. | 1½ | 1½ | 1½ | 1½ |
| Goldale . .. .. | 18½ | 17 | 17 | 19 |
| Hattie ... .... | 7⅛ | 6⅛ | 6⅛ | 7¼ |
| Hollinger . . | 13.10 | 12.45 | 12.60 | 13.00 |
| Hunton . .. . | 10 | 8⅞ | 8⅞ | 10 |
| Inspiration . . | 7 | 6½ | 7 | 7 |
| Indian ... .... | 21¾ | 19 | 21¾ | 20 |
| Keora . .. .... | 8 | 7 | 7 | 8 |
| Keeley .. ... | 2.27½ | 2.16 | 2.17 | 2.28 |
| Kirk. Lake . . | 21½ | 21 | 21 | 21½ |
| Lakeside . . . | 18 | 16 | 17 | 18 |
| La Rose . .. . | 18½ | 12 | 12 | 14 |
| Lake Shore . . | 3.87 | 3.80 | 3.80 | 3.84 |
| Lorrain, T. L. . | 1.35 | 1.30 | 1.30 | 1.33 |
| Lorrain .. ... | 13½ | 13 | 13 | 14 |
| McIntyre . . . | 16.30 | 15.95 | 16.21 | 16.20 |
| McKinley . ... | 12½ | 12 | 12¼ | 12½ |
| Mining Corp. . | 3.20 | 2.90 | 3.00 | 3.25 |
| Moneta .. .... | 19¼ | 18 | 19¼ | 19 |
| Montreal, Ont. | 8 | 7 | 8 | 8½ |
| Newray . .. .. | 32 | 31 | 31 | 33 |
| Nipissing . ... | 6.25 | 6.10 | 6.15 | 6.25 |
| Night Hawk . | 80 | 50 | 65 | 85 |
| Ophir . .. ... | 2⅞ | 2⅞ | 2⅞ | 3 |
| Pete. Lake . . | 7¾ | 7¾ | 7¾ | 8⅛ |
| Porc. Crown .. | 11⅝ | 9 | 8 | 8 |
| Preston . . ... | 11⅝ | 11½ | 11⅝ | 11⅞ |
| Rouyn ... .... | 18⅞ | 10 | 10 | 19½ |
| Teck Tughes . | 1.19 | 1.11 | 1.14 | 1.18 |
| Thomp. Krist . | 4⅞ | 4.34 | 4⅝ | 4¾ |
| Timiskaming ... | 25½ | 25 | 25 | 26 |
| Tough Oakes . | 67 | 64 | 67 | 67 |
| Trethewey . .. | 13¼ | 13 | 13 | 13 |
| Skead . .... .. | 15½ | 15¼ | 15½ | — |
| Vac. Gas. .. .. | 4½ | 4½ | 4½ | 5 |
| Vickers . . ... | 16 | 14 | 14 | 16 |
| Vipond Cons. . | 1.13 | 1.03 | 1.03 | 1.13 |
| Wasapika . . . | 2¾ | 2½ | 2¾ | 2¾ |
| West Tree . . | 3⅜ | 3 | 3½ | 3½ |
| Wettlaufer . . | 22¾ | 20½ | 22¾ | 22 |
| Wright Har. .. | 2.95 | 2.90 | 2.95 | 2.95 |
| NEW YORK PRICES | | | | |
| Iter. Nickel— | | | | |
| Com. . ..... | 12⅝ | 12 | 12⅝ | 12 |
| OIL COMPANIES | | | | |
| B. A. Oil . ... | 33½ | 33 | 32½ | 34 |
| Imperial . .. | 105 | 102½ | 105 | 102⅞ |
| Inter. Pet. . . | 19¼ | 18½ | 19¼ | 10⅝ |
| Mutual . .... | 11 | 10½ | 11 | 10⅝ |
| N. Star pref.. | 3.60 | 3.60 | 3.60 | 3.65 |
| Volcanic Oil. . | 90 | 90 | 90 | 94 |

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### UNION RESTRICTIONS

(Wall Street Journal)

A contractor found himself in distress and his contract endangered by the slow work of his bricklayers. He was paying $8 a day and getting less than 500 bricks laid per day per man.

He proposed to his bricklayers that he would pay a cent a brick if they would speed up the work. To his astonishment he found in a few days that he was paying bricklayers from $35 to above $40 per day as they were laying 3,500 to above 4,000 bricks per day.

But he found it was cheaper, as under previous rules and restrictions his bricklaying cost him nearly two cents per brick.

Years ago it was scientifically demonstrated a man could lay 4,400 bricks a day without over-exertion.

### SEEDING GENERAL IN ONTARIO

According to the Ontario Department of Agriculture seeding is general. Last week a considerable acreage of oats was sown in a number of counties, mainly in the south-western section. The land this spring is in good workable condition, and the prospects are that a large acreage of field crops will be put in.

Fall wheat has not made as much growth as was expected, but on the whole it has so far escaped serious spring injury, and farmers are hopeful regarding the crop. Late sown fields present the least favorable appearance.

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# NEWS OF THE BANKS AND BANKING

## MARCH BANK DEBITS SHOWED REDUCTION

### Total for All Canada Smaller by $200,000,000—Stock Market a Factor

OTTAWA.—The total recorded bank debits to individual accounts at the clearing house centres of Canada; in other words, the aggregate amounts of the cheques charged against deposits accounts in these places, were $1,965,982,072 in March, 1924, a substantially lower figure than the February bank debits of $2,179,587,756, or the January bank debits of $2,171,653,377. Bank clearings for March showed a similar tendency, aggregating $1,174,278,616, as against $1,274,132,415 in February, and $1,387,398,716 in January.

The decline in bank debits, though marked, was by no means universal. Of the five economic areas into which Canada is naturally divided the Maritime provinces and the Pacific provinces showed increases as compared with February of 3.8 per cent., and 5.2 per cent. respectively, due in the former case to greater business activity at Halifax and Moncton, and in the latter to an increase of nearly $7,000,000 in the bank debits at Vancouver.

On the other hand, bank debits in Quebec, Ontario and the prairie provinces showed marked declines, which are more than accounted for by decreases in bank debits at the three great centres of business activity—Montreal, Toronto, and Winnipeg. How far these decreases were due to a fall in the volume of business done in the stock markets is a debatable point, but undoubtedly this was a contributing factor, the shares sold on the Montreal Stock Exchange, for example, declining from 294,207 in February to 223,219 in March. Among the smaller cities Quebec showed an increase from $36,141.889 in February to $40.343.969 in March. Ottawa from $115,719,757 to $124.107,779, and Regina from $18,900,546 to $21,449,002.

| Clearing House Centres— | Debits to Individual Acc'ts.<br>$ February | <br>$ March |
|---|---|---|
| **Maritime Provinces—** | | |
| Halifax | 17.798.667 | 20.593.512 |
| Moncton | 5.332.836 | 5.501,745 |
| St. John | 23.435.505 | 22,267,345 |
| Total | 46,567,008 | 48,362,602 |
| **Quebec—** | | |
| Montreal | 640.811.267 | 560,415.027 |
| Quebec | 36.141.889 | 40.343.969 |
| Sherbrooke | 6.661.855 | 8,097,006 |
| Total | 683,615,011 | 608,856,062 |
| Brantford | 6,114,702 | 5,910,345 |
| Chatham | .......... | .......... |
| Ft. William | 5.560.952 | 5.726.855 |
| Hamilton | 40.676.440 | 40,117,162 |
| Kingston | 3.746.114 | 4,416.399 |
| Kitchener | 7.052.436 | 6.404.815 |
| London | 19.608.793 | 20.237,484 |
| Ottawa | 115.719.757 | 124.107.779 |
| Peterborough | 4.964.989 | 5.290.944 |
| Toronto | 668.203.046 | 549.571.067 |
| Windsor | 18.434,009 | 22,600.314 |
| Total | 890,081,238 | 784,382,646 |
| **Prairie Provinces—** | | |
| Brandon | 3.255.348 | 2.239.432 |
| Calgary | 53.304.023 | 50.074.516 |
| Edmonton | 26.911.184 | 25.540.763 |
| Lethbridge | 4.212.257 | 3,576.645 |
| Medicine Hat | 3.928.881 | 4.556.798 |
| Moose Jaw | 6.529.395 | 6,584.276 |
| Prince Alberta | 2.002.763 | 2.034.317 |
| Regina | 18.900.546 | 21.449.002 |
| Saskatoon | 7.924.659 | 9,618.100 |
| Winnipeg | 299,839,799 | 259,397,286 |
| Branches of the Weyburn Security Bk. | 1,085.478 | 1,103,132 |
| Total | 427,894,333 | 386,173,267 |
| **British Columbia—** | | |
| New Westminster | 4.219.576 | 4.851.473 |
| Vancouver | 108.491.933 | 115.173.965 |
| Victoria | 18.718.657 | 18,182.039 |
| Total | 131,430.166 | 138,207,477 |
| **Total for Canada** | 2,179.587.756 | 1,965,982,072 |

In printing the February returns of the chartered banks in THE FINANCIAL POST the total of notice deposits of the Bank of Montreal was given as $11,708,088 instead of $311,708,088.

## HOME INQUIRY IS SHOWING A NEED FOR INSPECTION

### Indications that Supervision Would Have Been Effective

From Our Own Correspondent.

OTTAWA.—The big feature of Sir Thomas White's testimony here before the McKeown Commission was that, unfortunately, no more in banking than in any other line of business, can those charged with responsibility for the protection of the public interest place undue confidence on submitted reports. The testimony of Sir Thomas was to the effect that he had made thorough inquiry about the state of the Home Bank's affairs, and that following the receipt of the Machaffie letter. It, however, looks very much as though his critics would contend that he had placed too much confidence in the opinion of the late Z. A. Lash, and on the reputation of M. J. Haney.

So far as the enquiry has gone it has made out a strong case for some form of inside inspection. Sir Thomas admitted that if there had been an inside audit the facts of the bank's affairs would have been brought out much better than they were.

Another thing demonstrated was that a sensational witness in an enquiry of this kind is almost usually a kind of dangerous witness. W. A. Machaffie possibly has done more to stir things up than any other person connected with the Home Bank; for he spoke from inside knowledge. But in his testimony here he did much to discredit himself. He practically admitted that under pressure he had signed a statement minimizing, to say the least, statements he had made in his letter to Sir Thomas White, his excuse being that his counsel had told him that this was the only way he could get a settlement of his salary claim. Then he admitted that some of the allegations made in this statement, to which he had attached his signature, were made merely on hearsay.

Mr. Machaffie, however, made some statements, the truth of which cannot be called in question. Among these he said that the Home Bank had never had a real system of inspection that is, as long as he was with it, or up until the spring of 1918; and that the Toronto office had only once been inspected. His statement that $5,400,000 of accounts out of a total of $7,500,000 at the Toronto office would not have been accepted by other banks was sensational.

Much of the case for the depositors has rested upon the representations that Machaffie made to Sir Thomas White, and it remains to be seen what effect his admission will have. It is quite probable, however, that the banking and commerce committee will decide the question not entirely on what any minister of finance did, or did not, do: but on the failure of parlaiment sufficiently to protect the depositors. Not only has it been indicated that inside inspection would have rendered impossible such a state of affairs as has been revealed in the Home Bank, but there is Machaffie's statement that even under the existing regulations a special investigation might have been made without precipitating a run on the institution. Sir Thomas White took the contrary view on this point. However, Sir Thomas also made it clear that in the public interest he, as minister of finance, would have considered it his duty to do everything possible to prevent a bank failure during the war.

## Veteran Manager Passes

For a great part of his forty-seven years' connection with the Canadian Bank of Commerce, J. M. Duff, whose death is reported from Guelph, was a prominent figure not only in the commercial life of the city, but in the social and business life of a large surrounding district. More perhaps than any bank manager with whom I have come in contact, Mr. Duff employed personality to bring business to his bank. Frequently I have told on this page interesting stories of his methods. Long before the advent of the automobile as a quick means of transportation he was known up and down the concessions of South Wellington, while the bank's customers were all Tom, Dick or Harry to him when they came in to do business. In any part of the district an auction sale was likely to have Mr. Duff as secretary, a garden party would probably find him as chairman, while between these and other events he took advantage of every opportunity to meet the farmers on their own land and discuss their problems in their own language. And it was his rule to extend a personal greeting to as many as possible who came to the bank whether their business required his personal attention or not. During a long interview if such occurred on a Saturday morning—he would find excuses to leave his own office from time to time long enough to note who might be in the bank and he would make opportunity to greet them or give them brief attention.

Nor did Mr. Duff capitalize his popularity to bring business only from the rural community. He was active in public matters in the city as well. He was a former chairman of the board of education, secretary of the Guelph Fat Stock club, director of the Priory Club and member of the Masons, Oddfellows, and Foresters Societies, as well as a warden of St. George's Church. —J. W. T.

Geoffrey Field, who has been on the staff of the Bank of Montreal at the Rideau Street branch, has left for New York, having been transferred to a branch of the Bank of Montreal in that city.—The Citizen, Ottawa.

## Must Give Particulars of Home Bank Charges

The trial of the officials and the directors of the Home Bank has gone over until the next assizes. When the conspiracy charges were called this week the court directed that further particulars be given by the crown. Such particulars are to be given three weeks before the hearing of the case to give the accused an opportunity to make investigations and prepare their defense. Particulars must be given regarding sales of shares, false returns, etc., as named in the charge.

## Banker Criticizes the McNary-Haughen Bill

AUGUSTA, Ga. — The McNary-Haughen bill, designed to afford relief to producers of certain agricultural products, was criticized as an example of impracticable government price-fixing by Walter W. Head, president of the American Bankers' Association, who spoke at the meeting of the Georgia State Bankers' Association.

"Periodically we are afflicted with the passion for price-fixing by governmental decree. Whenever the price of certain commodities has not been satisfactory to the producers, there has been a demand that the government, by artificial stimulus or arbitrary act, fix a satisfactory price and require its payment by purchasers. There are two methods by which government can maintain prices above the level established by natural economic law. One is by the establishment and enforcement of penalties for sale or purchase of a particular commodity at a price other than that fixed by the government; the other is by the purchase by the government or a governmental agency of a sufficient amount of the commodity to raise the price to the decreed level.

"The first method has been proved impractical wherever tried. The enforcement of fixed prices by government purchase to reduce or eliminate a surplus is the more effective method. Prices can be established by this method provided the government has sufficient funds to sustain the loss which results and provided the producers of other commodities are sufficiently docile to surrender their own advantage."

## Staff Gossip

H. G. Fitzgerald, manager of the Bank of Nova Scotia, at Danforth and Pape Avenues, Toronto, has been appointed manager of the branch at Cobalt.—The Globe, Toronto.

* * *

T. A. Montgomery, who has been teller in the Cornwall branch of the Sterling Bank, left for Sudbury, where he has been promoted to the position of acountant.—The Freeholder, Cornwall.

* * *

W. I. Hogg, who has been temporary manager of the Brantford branch of the Bank of Montreal during a vacation by A. Kohl, has now been appointed manager of the branch at Walkerville.—The Expositor, Brantford.

* * *

H. Sneyd has been appointed manager of the Victoria Avenue branch of the Bank of Montreal in Hamilton. He comes to this city from Preston, where he had been manager of the bank's branch there for about seven years.—The Spectator, Hamilton.

* * *

J. H. Mitchell, for nine years manager of the Bank of Nova Scotia at Alexandria, has retired after long service, and has left to make his home in Kingston. Previous to his departure the business men of the town presented him with a handsomely fitted club bag as an evidence of the esteem in which he was held in the town.—The Standard, Cornwall.

* * *

F. E. Kilvert, who since the amalgamation of the Bank of Hamilton with the Canadian Bank of Commerce, has been acting as assistant superintendent of the Bank of Commerce and manager of the Main and McDermot, Winnipeg, branch, is now giving all his time to the work of assistant superintendent. H. C. Hurlburt, formerly an inspector in the superintendent's office, assumes the important post of manager of the Main and McDermot branch, which was formerly the main office of the Bank of Hamilton in Winnipeg. Other changes have brought to Winnipeg H. B. Adams, formerly manager of the Bank of Hamilton branch at Regina, and M. E. Sowden, formerly manager of the Bank of Hamilton branch at Port Arthur. Both of these officials have been transferred to the superintendent's department at Winnipeg.—The Manitoba Free Press.

## Weekly Bank Clearings

(In comparison with same week last year)

| Eastern Cities | Apr. 26, 1923 | Apr. 24, 1924 |
|---|---|---|
| Halifax | $ 2.916.721 | $ 2.211.901 |
| St. John | 2.718.168 | 2.133.021 |
| Moncton | 1,074 541 | 732.706 |
| Sherbrooke | 816.357 | 673.872 |
| Quebec | 5.083.468 | 5.544.946 |
| Montreal | 99.267.558 | 68.465.403 |
| Ottawa | 5,537.803 | 5.073.162 |
| Kingston | 518.492 | 492.575 |
| Peterboro' | 725.248 | 720 956 |
| Toronto | 98.320.692 | 66.628.527 |
| Hamilton | 5,502.683 | 4.095.724 |
| Brantford | 991.017 | 747 065 |
| London | 2.637.502 | 1.957.450 |
| Kitchener | 1.018.023 | 834.927 |
| Windsor | 3,842,226 | 3,226,983 |
| | $239,970.535 | 163,539,218 |

| Western Cities | Apr. 26, 1923 | Apr. 24, 1924 |
|---|---|---|
| Fort William | $ 642.491 | $ 651.296 |
| Winnipeg | 35,734.001 | 47,818.108 |
| Brandon | 487.130 | 425.145 |
| Regina | 3.138.452 | 2,330.689 |
| Moose Jaw | 1.022.623 | 904.544 |
| Saskatoon | 1.460 506 | 1,251.257 |
| Prince Albert | 339.433 | 247.507 |
| Lethbridge | 482.991 | 425.355 |
| Calgary | 4.251.884 | 5.477.362 |
| Edmonton | 3,897.566 | 3,250.254 |
| Medicine Hat | 248.576 | 289.285 |
| New W'minster | 650.122 | 504.388 |
| Vancouver | 14.339.804 | 12.718.118 |
| Victoria | 1,927,367 | 2,054,887 |
| | $68,622,946 | $78,346,795 |

## ROYAL BANK FOR THE GOLD BASIS

### Believes That Canada's Present Position Warrants a Return to Pre-war Conditions

From the May Letter of the Royal Bank.

A careful examination of our present position leads to the belief that gold payments could be resumed today without any action being necessary, other than an official announcement to the effect that Dominion notes were once more convertible into gold at the offices of the Receiver General, and that gold could be exported and imported at will, the announcement to be backed by such legislative action as would be required to bring pre-war laws governing the Dominion note issue into conformity with the actual state of affairs. Not every country could get back to a gold basis in this very simple way. Many are prevented from doing so, because their note issues are inflated, and their price levels relatively too high. We shall attempt to show below that this is far from being the case in Canada, and that a return to the gold standard in this country would not involve the presentation of notes in large volume for conversion, nor would it involve a fall in prices.

**Dominion and Bank Note Issues**
**(Millions of Dollars)**

| | Dominion | Bank | Total |
|---|---|---|---|
| 1914 .......... | 114 | 104 | 218 |
| 1924 (Jan. 31st) | 195* | 157 | 352 |

*—After deducting Dominion Notes in Central Gold Reserve.

When considering the increase in note issues, it must be remembered that, during the period covered by the statistics quoted above, prices in the United States, the great gold standard country, have increased 50 per cent.; other things being equal, this price increase means that to carry on the country's business, we require a note issue 50 per cent. larger than in 1914, namely, an issue of $327,000,000. During the ten years, however, our population has increased in number 10 per cent., and our productive capacity in still larger degree. A wheat harvest of 474,000,000 bushels in 1923, compares with one of 161,000,000 in 1914. Total foreign trade, which will approximate a value of $1,900,000,000 in the fiscal year ending March, 1924, compares with a total foreign trade of $1,073,000,000 in 1914; these are only a few of the changes which have taken place. The surprising thing is, not that our note issues have increased to $352,000,000, but that the country's business can to-day operate on an issue no larger than the existing one.

The gold reserve held by the Dominion Government against its note issue, as at January 31, 1924, was $102,858,880, the banks held in gold and subsidiary coin $44,800,000, and there was a further amount of approximately $9,000,000 actual gold in the Central Gold Reserve. Although the percentage of reserve is not as high as it was in 1914, it is fully large enough to provide the measure of protection which experience has found necessary or desirable.

The price situation is just as sound as the note situation. As at December 31, 1923, Canadian prices showed an increase over the 1913 level not more than 2 per cent. greater than the increase in the United States.

As our note issues are not inflated and our price level not unduly high, it follows that, not only could gold payments be resumed at any time, but that such action would have no disturbing effect on business.

## Exchange

Negotiations have been concluded between the American banking syndicate headed by the International Acceptance Bank and the new German Gold Rediscount Bank in Berlin, organized by Dr. Hjalmar Schacht. Under this arrangement the syndicate, comprising leading banks and trust companies of New York and some institutions of Boston and Chicago, has placed at the disposal of the new bank a credit, at present limited to $5,000,000, under which German two-name trade bills, issued in dollars, and payable in United States, will be taken for rediscount by the American syndicate.

**NEW YORK FUNDS**

| | High | Low | Last Year<br>High | <br>Low |
|---|---|---|---|---|
| Apr. 24 | 1 25-32 | 1 3-4 | 1 15-16 | 1 3-4 |
| Apr. 25 | 1 25-32 | 1 23-32 | 2 1-4 | 1 29 32 |
| Apr. 26 | 1 28-32 | 1 5-8 | 2 1-4 | 2 |
| Apr. 28 | 1 5-8 | 1 1-2 | 2 1-16 | 2 |
| Apr. 29 | 1 9-16 | 1 1-2 | 2 1-32 | 2 |
| Apr. 30 | 1 9-16 | 1 17-32 | 2 | 1 31-32 |

**STERLING, FRANCS AND LIRE**

| | Sterling<br>Demand | Francs<br>Demand | Lire<br>Demand |
|---|---|---|---|
| Apr. 24 | 4.37⅛ | 6.32½ | 4.44¾ |
| Apr. 25 | 4.36¼ | 6.28 | 4.45 |
| Apr. 26 | 4.38⅝ | 6.50 | 4.49 |
| Apr. 28 | 4.38⅛ | 6.44 | 4.47 |
| Apr. 29 | 4.38¼ | 6.46 | 4.48 |
| Apr. 30 | 4.37⅞ | 6.44½ | 4.47¼ |

## Canadian Daily Spends $1,000,000 Yearly on Paper

From Our Own Correspondent.

MONTREAL.—It is an interesting fact that of all the newsprint paper used in Canada, amounting to 125,000 tons a year, one paper uses 13,000 tons a year, or more than 10 per cent. of the whole, while still another newspaper publishing organization uses about the same amount per year of an affiliated group of papers. The newsprint paped used by the one newspaper mentioned cost it in round figures about a million dollars last year. This was more than the total revenue of the newspaper from the sale of its papers, and it is estimated that this newspaper lost about $1,000 a day on the sale of raw paper, which, of course, was more than made up by advertising revenues.

## Monthly Bank Clearings

(In comparison with same month last year)

| EASTERN CITIES | April 1923 | April 1924 |
|---|---|---|
| Halifax | $12,069,225 | $12,213,631 |
| St. John | 11,323,304 | 10,560,000 |
| Moncton | 4,612,530 | 3,529,133 |
| Sherbrooke | 3,722,065 | 3,488,010 |
| Montreal | 416,216,362 | 411,189,943 |
| Ottawa | 26,227,758 | 27,955,123 |
| Kingston | 2,561,360 | 2,622,620 |
| Peterboro' | 3,115,060 | 3,437.345 |
| Toronto | 404,479,776 | 386,485,754 |
| Hamilton | 23,086,709 | 20,881,374 |
| Brantford | 4,157,344 | 3,730,912 |
| London | 11,493,880 | 11,150,063 |
| Kitchener | 4,375,390 | 4,173,650 |
| Windsor | 13,608,711 | ...... |

| WESTERN CITIES | April 1923 | April 1924 |
|---|---|---|
| Ft. William | $ 3,069,440 | $ 3,170,283 |
| Winnipeg | 163,367,517 | 171,397,133 |
| Brandon | 2,114,056 | 1,998,722 |
| Regina | 13,864,658 | 12,160,399 |
| Saskatoon | 6,125,282 | 6,332,095 |
| Moose Jaw | 4,885,196 | 4,244,497 |
| Pr. Albert | 1,488,017 | Not avail. |
| Lethbridge | 2,360,817 | 1,984.578 |
| Calgary | 19,131,837 | 26,516,574 |
| Edmonton | 16,318,875 | 18,071,411 |
| Med. Hat | 1,312,934 | 1,275,198 |
| Vancouver | 59,150,019 | 64,442,383 |
| Victoria | 8,126,730 | 8,696,104 |
| N. Westminster | ...... | 2,608,120 |

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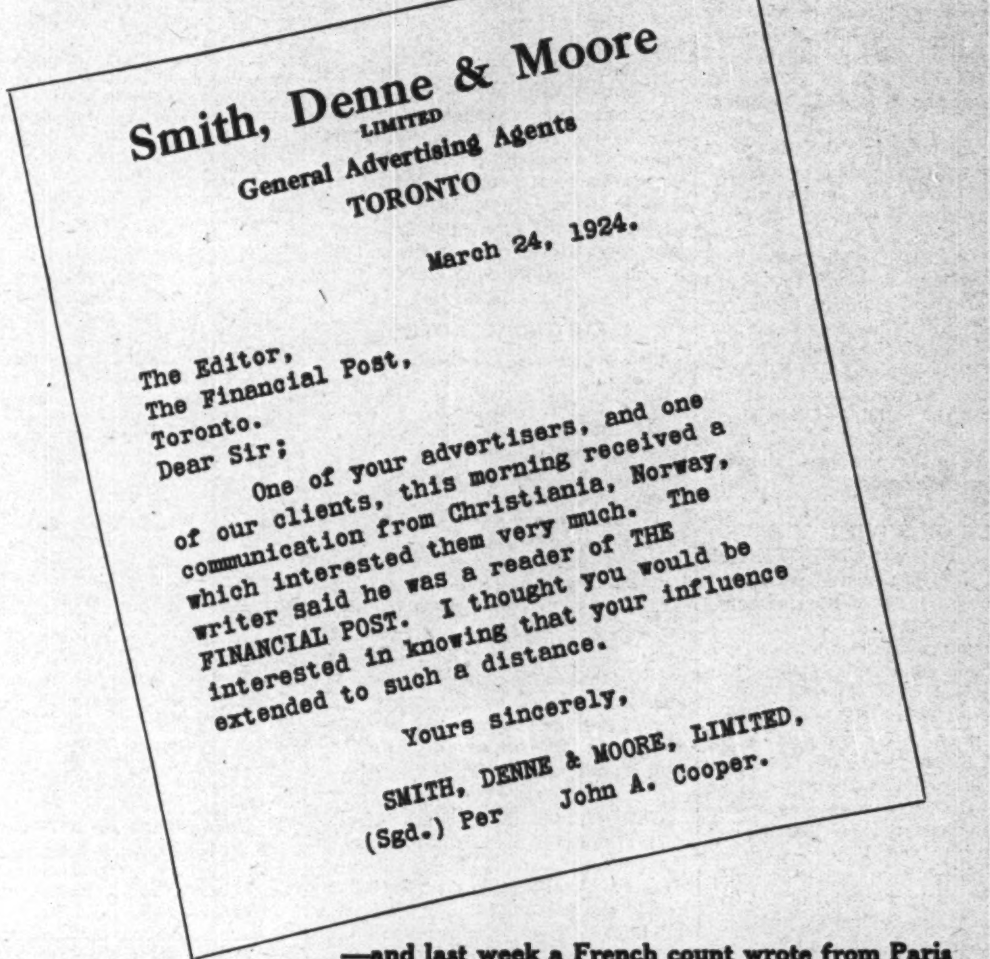

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TORONTO

March 24, 1924.

The Editor,
The Financial Post,
Toronto.
Dear Sir;

One of your advertisers, and one of our clients, this morning received a communication from Christiania, Norway, which interested them very much. The writer said he was a reader of THE FINANCIAL POST. I thought you would be interested in knowing that your influence extended to such a distance.

Yours sincerely,

SMITH, DENNE & MOORE, LIMITED,
(Sgd.) Per John A. Cooper.

—and last week a French count wrote from Paris about his Canadian investments. And a little while before, a wealthy German, who has read The Financial Post for years, asked us for further information regarding Canadian securities he owns. Inquiries to the editor from the West Indies, from Great Britain, from California, and from other countries where folks have money to invest and look to Canada as a healthy place to salt it away for good returns, are weekly occurrences.

All of which is mighty tangible proof of the broad influence of The Financial Post in bringing capital to Canada, not only in a general sense but by putting definite Canadian offerings before foreign investors. Yet it is nothing compared to the influence of The Financial Post, measured in terms of the high regard of its more than 8,000 paid-in-advance subscribers in Canada.

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

TORONTO, MAY 2, 1924

## NEW DEPARTURE IN BANK DIRECTION

IN THE appointment of Sir Joseph Flavelle as chairman of the board of the Canadian Bank of Commerce, a new departure in Canadian banking has been taken which recognizes the importance of having matters of policy and public relations handled apart from questions of management; it promises well for the future of the institution. In recent years there has been a growing recognition of the importance, under democratic government, of not only serving the public but of making the public appreciative of that service. This has been accomplished in various ways. In the case of United States Steel and some other big industrial corporations, a chairman of the board has been appointed as has now been done by the Bank of Commerce. In other cases the president merely directs policy and public relations while executive duties are left to various vice-presidents. And in still other cases, as with baseball, moving pictures and some other important industries in the United States, various interests have united in the appointment of one leader to keep these industries in good standing with the public.

Whatever the particular course taken the object has been the same—to have the practical direction of business in the hands of trained technical experts while matters affecting policy are decided by men of broader interests and experience. In the case of the Bank of Commerce, there is now that hard-headed, efficient banker, Sir John Aird—than whom there is no man in Canada with greater experience, more thorough technical knowledge and an extraordinary and exemplary devotion to and love for this work—in the chief executive position while presiding over the deliberations of the board of directors and giving them the benefits of his wide experience on questions of policy Sir Joseph Flavelle will provide that broader vision so necessary in the consideration of the interests of the public, of depositors and of borrowers, if the bank is to continue to make the best showing for its shareholders.

## OBJECTS OF SOVIET AGENTS

DURING the war THE FINANCIAL POST advised its readers against the purchase of Russian bonds and as a result the campaign in Canada among our readers was a failure. Our sources of information in Europe had no confidence in Russian promises before the war and conditions became vastly worse with the advent of the Soviet. We have persistently advised Canadians to do no business with these people excepting on a cash basis; that Russia had little money to spend on goods; that the chief object was to create trouble among Canadian workers that there would be eventually less competition between them and this continent in the future; that inspiration came from German industrial sources and much of the agitation and a good deal of the money was provided by their dupes on this continent and in Great Britain, often times by men of German or Russian birth who had temporarily adopted English or Scotch aliases.

Four or five years ago the Soviet agents "took in" a number of Canadian manufacturers by undertaking to place millions of dollars of orders with them; they told the weird story of gold being available on condition that Canada would protect its shipment across the ocean and agree not to permit its seizure by enemies of the Soviet. Some manufacturers brought pressure to bear on the Government and an agreement was drawn up. One of the Soviet terms, however, was that it would be necessary to place their own corps of inspectors in all the plants to which orders had been given to ensure the proper carrying out of the contracts. THE POST pointed out that this was merely a means of placing agitators to create discontent and disloyalty among Canadian workers. Sir Henry Drayton drew the attention of the Soviet to this and pointed out that no other government or buyer had ever suggested such a policy and refused to accede. Failing in this, the delegation with their alleged hundreds of millions of gold disappeared.

Unfortunately for Canada they have friends in the present Cabinet and their recent representations were made successfully. They got partial recognition and settled down nominally to develop trade. But some members of the Cabinet knew how absurd their representations were and an eye was kept upon their operations. It was soon discovered that propaganda, not trade, was their object and large quantities of propaganda literature have been seized. The usual denials have been issued.

An interesting sidelight on the operations is the fact that one of the leaders in the work, now travelling under a Russian name, was actively engaged in stirring up strikes in Nova Scotia and Ontario while carrying a Scotch name. The operations of these agents are fully understood by labor leaders and only recently THE POST was informed by one of the most prominent men in the Canadian trade union movement that it is generally known in union circles that much of the recent labor troubles were caused by the operations of these foreigners and he states that until these agents and their organizations are excluded entirely from Canadian trade union circles and our colleges and schools we will have trouble.

## GERMANY GOT CANADIAN NICKEL

ADDRESSES such as Balmer Neilly, secretary of Ontario Mining Association, delivered to the Canadian Club recently, not only have their educational value, but also serve to direct the attention of business to the opportunities which the growing mining sections present. If anything Mr. Neilly was conservative in his predictions as to the future of our mining development. The address had one rather surprising feature, that in which the speaker said he deliberately digressed from his main discourse to deal with the charge that Canadian nickel went to Germany during the war. He said that he was officially permitted to state that every pound of nickel sold by International Nickel Co. was sold only with the full knowledge, consent and approval of the British Admiralty and Canadian Government.

Mr. Neilly's statement clears the position of the officials of the Nickel Co., but it is not a denial that nickel went to Germany. As a matter of fact people in close touch with the situation long ago exonerated the Canadians associated with the Nickel Co. It is a fact beyond all question—notwithstanding all denials—that Canadian nickel did go to Germany and that a British-born subject who was later whitewashed and decorated by the British Government, was responsible. Only the eternal vigilance of a local group of British and Americans as late as 1918 prevented every attempt to get one of the most important nickel cargoes through the Atlantic coast cordon.

## EDITORIAL NOTES

IT IS now quite evident that the recognition of Russia by Great Britain differs practically in no degree from the recognition proposed by Secretary Hughes for the United States. One cannot always depend upon the cables.

* * *

THE Reds in Nova Scotia do not want the members of the miners' union to own their own homes. This is going to extremes but the purpose is evident. The man who owns his own home is a poor Red. And the reason that propagandists have not made more rapid headway in Canada is that it is a country where so many of the workers can, and do, own their own homes.

* * *

REPORTING the decline in building figures for the early months of the year in Canada The Bache Review states that there is no indication at the present time of activity in building, adding: "Nor is there likely to be in view of the fact that local taxation is increasing and rents are being lowered, neither of which are conducive to the employment of capital in building operations; another deterrent is that building costs still remain at a high level."

* * *

RADIAL lines taken over by the Ontario Hydro from the Mackenzie interests show a deficit of over $200,000 on a year's operations, even under the favorable taxation and other conditions of public ownership. Patrons will have to pay higher fares or taxpayers will have to shoulder the burden. It is evident that Premier Drury did the people of Ontario a great service when he appointed the Sutherland Commission to report on the Beck plan to spend a couple of hundred millions in covering the province with a network of such railways.

# A Philosopher in Business; That's Beatty of the C.P.R.

## He Has Given All Sorts of Good Advice on Work and Living and Takes it All to Heart Himself—Something About His Interesting Life

By FLOYD S. CHALMERS.

PRESIDENT BEATTY AT PLAY.

A believer in intensity in living is Edward W. Beatty, president of the Canadian Pacific Railway. There is one big secret of the success of the man who was given Canada's biggest executive job at an age that made him then the youngest railway president in the world. "I want to get as far as possible in the shortest possible time," Mr. Beatty once told a friend, and he has succeeded in getting further in shorter time than most men who have ever tried. "A young man ought to reach his goal while he is still young enough to enjoy it," says Mr. Beatty. "In biblical times, the chif aim of man was to live to the age of Methuselah. Today it is not the length, but the intensity of man's life that counts."

Mr. Beatty is consistent in carrying out his policy of cramming as much as possible of interest and achievement into his life. Even in his play; he dislikes golf; says it takes too long to get the amount of exercise required. Hand-ball is his favorite diversion. It has lots of movement and vigorous excitement crowded into a few intense moments. In business, Mr. Beatty can keep more secretaries and clerks busy than any other man around Windsor Station.

### "This Business of Living"

He likes work. "Eliminate effort and you drain the spring of life," he says. "It is not so much the striving for it that lends zest to our existence." Mr. Beatty contends that work is not a curse, but a blessing, and most folks will agree with his statement that "the business of living is an all-absorbing occupation."

Such a manner of living and doing things takes a rugged constitution, and a powerful will. Mr. Beatty doesn't advise any man to start out on life's highway of battles and losses and triumphs without preparation. And among the important essentials of success he places good health. His viewpoint on physical health must be understood by any man who would learn why Beatty has climbed to his present position.

"To obtain success, the most essential thing is good health," he says. "A sound body usually means a sound mind, and a man who is careful of his health and makes himself strong and vigorous has a distinct advantage over those who are physically weak. While it is not impossible, it is extremely difficult for anyone to work against the handicap of ill-health." Speaking once to a group of boys he advised: "Build yourselves up, because you may have a long life and every ounce of strength you store up in your youth adds to your vitality when you are older."

### Stored Up Vitality in Youth

It was because "Eddy" Beatty, the boy, stored up so much vitality that Edward Beatty, the C. P. R. president, can live the intense existence he lives to-day, and do it so successfully. Whoever it was first applied the Duke of Wellington's famous remark to, Mr. Beatty had caught something of the secret of his success. The Duke said that the battle of Waterloo had been won on the playing fields of Eton, and of Mr. Beatty it is said that his life battle was won on the football fields of Toronto University. To which there is much truth. Football at 'Varsity was not, however, the turning point in Mr. Beatty's career. It went back further to his school days.

At school in Toronto young Beatty was a "dud" as a scholar. He did not believe in study. He was nick-named "Bunty" by the other pupils, and most of his time was spent in scrapping—when he was not being kept in after school. At the end of a year the principal of the school wrote Beatty's parents that the school would shed no tears if young Beatty were not sent back.

Young Beatty—thirteen years old—felt humiliated and ashamed of himself. He was sent to another school and had the good fortune to fall into the hands of a tutor who was a good teacher. He encouraged the boy (when his violent temper did not impel him to abuse him) and he told Beatty that he might amount to something if he tried, which was news. That gave him an inspiration to study, and he began to work. "The more I worked the more I realized how valuable it was," Mr. Beatty states. "I never saw a boy or a man yet who got anywhere if he did not work."

### Good Health as a Necessity

That, by the way, brings out a second of Mr. Beatty's precepts for success. Good health, in his opinion, is the prime essential, as has been mentioned. Then comes work. And two other moral qualities, that he feels are essential, are courage and thrift. On the subject of courage, Mr. Beatty says: "Physical courage is very common. It exists to a more or less extent in most Canadian boys; moral courage is very rare."

"Success and saving go together," says Mr. Beatty on the subject of thrift, but he adds: "The community has just as little use for the miser as for the spendthrift."

Mr. Beatty holds honesty and modesty on an equally high plane. "No man in this or any other country who is not honest has attained permanent success. He may appear to do so. He may amass money by means which are at least doubtful, but without honesty he cannot gain or retain the respect of his fellow men, and without that no man can be said to be a success.

"Modesty is unpopular and almost obsolete," says Mr. Beatty, "nevertheless, it is one of the finest of qualities."

### A Canadian-Born C. P. R. Head

Mr. Beatty was the first Canadian-born president of the C. P. R. He was born in Thorold, Ontario. His father was Henry Beatty, a boat builder, who laid the foundation of the vessel lines that grew into the Canada Steamship Lines.

There is an interesting coincidence in connection with Beatty's father. When James J. Hill was forming his syndicate to build the C. P. R., he urged Beatty, Sr., to participate. But Henry Beatty refused to have anything to do with the scheme.

The family moved to Toronto when Edward Beatty was ten, and it was in Toronto that he had his schooling. At 22 he graduated from Toronto University and went into lay. Two years later he attracted the attention of a junior partner in the law firm with who he was articled. This lawyer had just been appointed the solicitor-general of the C. P. R. He wrote Beatty a note asking him if he would go to Montreal to look after his personal affairs for fifty dollars a month Mr. Beatty accepted, and, when he arrived, found he had been placed on the C. P. R. payroll. This was his first connection with the corporation he was later to head, but Mr. Beatty found the circumstances annoying at the time. He had expected to come as a sort of personal secretary to the solicitor-general. Instead, he got a company job. He felt that if he had applied to the company direct for the position he would have gotten a much larger salary.

Nevertheless, the interest of this man—A. R. Creelman—in Mr. Beatty was worthwhile. He saw Mr. Beatty's ability for close analytical study of the problems put up to him and his willingness to work hard. In four years Creelman astonished the bar and the company's officials by making Beatty assistant-solicitor of the road—at 28.

### Making Good in Legal Work

This job gave him his first experience of shining in the calcium of publicity. The Dominion Railway Commission was formed, as the public

(Continued on page 15)

PRESIDENT BEATTY AT HIS DESK.

### President Beatty on Thrift

Thrift is a word which is said to have come into the English language over a thousand years ago from the Scandinavian. It is the noun of which "thrive" is the verb, and suggests that success and saving go together. The very word "thrift" is a good word to to look at. It is an upstanding word and at once makes one think of sturdy simplicity. How different in appearance is its opposite "extravagance," a word which at once suggests as ostentatious irregular character, boastful as well as wasteful.

Now thrift means saving money and miserliness means saving money, but they are not the same kind of saving. The thrifty person saves money for a purpose, the miser saves money for itself. The thrifty person saves so as to have a bank account against bad times. His thrift has for its object independence and security. But miserliness is purely selfish, whereas a person should be thrifty so that among other things he may have money with which to help others when they need it.

A person must be careful not to carry his thrift too far. You usually find that the thrifty person has a bank account, whereas the miser keeps his money in a stocking where it can do no good because it is not kept in circulation. The thrifty person puts his money where it draws interest, thus adding to what he already has got, and also performing a service to the community.

By letting the community have the use of his money while he is not spending it, the thrifty person does a service to the community for which the community is willing to pay interest. The community, however, has just as little use for the miser as for the spendthrift.

# Passivism in Church and School Covers the Red Hand

## How the Influence of Moscow Has Been Extended Throughout America—Backers of College Groups Can be Traced Back To Soviet Agents Working For Disruption.

By DONALD EWING, in The Chicago Tribune.

Three factors stand out in connecting the so-called pacifist move in American colleges and churches with the plans of the Russian Third Internationale to undermine this country by making it a nation of slackers. They are:

1. Interlocking directorates. Backers of church and collegegroups working under the guise of Christianity can be traced on back through directorates of other organizations to Moscow itself.
2. Interlocking principles. Principles advocated by groups spreading propaganda into churches and colleges dovetail with Red principles as far back as 1776.
3. Interlocking objectives. While methods and ostensible purposes of groups vary, when analyzed all simmer down to the objective of no defense for America.

### The Crimson Trail

Take first the interlocking directorates.

The propaganda starts at Moscow passes through group after group each ostensibly a little less radical in appearance, until it finally is being disseminated—unknowingly generally—by church societies, supposedly nonsectarian Christianity promoting organizations, college social groups, and even in university summer school courses specially made up for the purpose.

William Z. Foster, Red, communist, and American agent of the Third Internationale, is the first link. Government secret service men found that he sat in the privy councils of Moscow as "Marshal," that he was sent to America to spread its doctrines. His convention in Michigan was raided, but after a jury disagreed in his trial he formed the Trade Union Educational League, secretly informing a Chicago communist convention that he held a Moscow mandate to disrupt America through this league.

In Foster's Michigan trial the Civil Liberties Union of New York rushed to his defense, raising a $10,000 fund Secret service reports state that much of the union's funds come from Moscow through a New York lawyer. The union's appeal for Foster was signed by Harry F. Ward, who at a Rock River Methodist conference said there was more Christianity in I. W. W.-ism than in church preachings. On the union's national committee sponsoring Foster's aid were Jane Addams, Mary McDowell, Elizabeth Gurley Flynn, Scott Nearing, William Z. Foster, and Frederick Libbey.

Through the Civil Liberties Union most of the propaganda sent out is handled. But, to go further:

The Women's International League for Peace was founded by Rosika Schwimmer, sent here from Germany to prevent preparedness, and Jane Addams is a guiding spirit in the union, one of Foster's defenders, and a leader in many organizations which spread propaganda—whether with her consent and knowledge cannot be said.

Frederick Libbey of the union is the author of much of the propaganda sent out by the Federal Council of Churches of Christ of America. He also is an associate in many movements with Brent Dow Allinson, ex-convict slacker, whose speech brought the Evanston flag hissing incident.

### More Connecting Links

Another associate of his in propaganda work is Sherwood Eddy of the Y. M. C. A., whose utterances have caused much embarrassment to that association. Eddy is one of a group which recently formed the Fellowship for a Christian Social Order. With him in this work is the Rev. Ernest Tittle, pastor of the Evanston Methodist church, who disregarded protests against Allinson's talk, and C. C. Morrison, editor of the Christian Century, which spreads the no-fight ing gospel among churches.

Swinging on around, one finds Allinson boosting the Youth Movement of Germany, and backing the plans of John Edwards and Martin Abera, "Young Internationale" agents admittedly assigned to spread no defence propaganda in summer training camps among American boys.

Turning to this "Youth Movement," one finds it advocating six principles advocated in Bavaria in 1776 by the Order of Illuminati, which was quickly forced underground, and further comparison shows these principles to be the same as those of the Third Internationale, and, in many respects, similar to those of groups now working in American churches and schools. They are:

Abolition of private property, of rights of inheritance, of the family, of marriage, of religion, of distinction between town and country.

The "Youth Movement" has sent six lecturers to America and they now are talking before American universities.

### Purpose of Peace League

The woman's peace league records, as given out by investigating agencies, contain resolutions advocating these things:

Discourage students from attending training camps. Work with mothers to have them keep their sons out of any form of national protection. Work for removal of military training from all schools. Abolish summer training camps. Work for abolition of private property rights. Work for revision of school textbooks to bring in these ideas. Work for recognition of Soviet Russia. And then, as thousands of forthright women are persuaded to become members in the belief they are simply trying to keep

(Continued on page 11)

## PERSONAL

**JAMES B. FORGAN**, chairman of the board of the First National Bank, of Chicago, celebrated his seventy-second birthday, April 11. He began his banking career at the age of 17 in St. Andrews, Scotland, and in his early twenties he emigrated to Canada as a representative for a London bank. In 1884 he went to Minneapolis, and eight years later he accepted a vice-presidency from the First National Bank, which was offered to him by Lyman J. Gage, then its president. In 1889 he became president.

**J. E. McFARLANE**, who has resigned as general manager of the Western Canada Flour Mills Co., Ltd., after nineteen years' active service to take a well earned rest, is a member of the board of directors of that company, and one of the prominent figures in the Canadian milling industry. Mr. McFarlane started in the milling business with the McKay Milling Co., of Ottawa, in 1893, after a varied business career. In 1900 he joined the Lake of the Woods Milling Co., and five years later joined the Western Canada Flour Mills, being appointed general manager in 1914, after having been manager of Montreal branch for six years.

**ROBERT L. FOSTER, B.A.**, who has been appointed Superintendent of Insurance and Registrar of Trust and Loan Corporations for Ontario, is a barrister and member of the legal firm of Foster, Lester and Russell, Toronto. Mr. Foster is thoroughly familiar with the activities of the Department of Insurance, having been secretary of the select committee of the Ontario Legislature on insurance. He has also done much work in connection with the revision of the Ontario Insurance Act under V. Evan Gray, former superintendent of insurance. Mr. Foster received his university training at Toronto University and Cambridge. He served overseas and since his return he has acted as sessional law clerk at the legislature.

**SIR JOHN AIRD**, the new president of the Canadian Bank of Commerce, is one of Canada's outstanding bankers with a wide and varied experience in his chosen field since he entered the service of the bank in 1878. In his new position his western epxerience as superintendent of western branches at Winnipeg from 1908 to 1911 will be of particular value, because of the importance of an adjustment in western financial and economic conditions in our national prosperity. Sir John has been general manager of the Bank of Commerce since 1915, prior to which he was assistant general manager following his promotion from the position of superintendent at Winnipeg. For two years before that he was manager of the Winnipeg branch, following a period in which he acted as manager of various Ontario branches, assistant manager at Toronto and the general manager's secretary. Sir John is at present the president of the Canadian Bankers' Association and has been very active in the affairs of that body. He has also been vice-president for Canada of the American Bankers' Association. His financial interests are broader than the Bank of Commerce; he is director of the National Trust Company, a director of the Imperial Life Assurance Company; a director of the Western Assurance Company, a director in the British America Assurance Company, and a director of Western Canada Flour Mills. Sir John was born at Longueil, Que., in 1855, was educated at the Toronto Model School and was engaged in railway work for a period of six years before entering the Bank of Commerce.

## For May Investment

To those with funds now in hand for investment or with funds which will be shortly available, our new investment list, which is now ready for distribution, will be found of interest.

This list contains a wide selection of securities of Canada's provinces, cities, towns and industrial corporations, together with an attractive list of odd amounts. Yields range from 5% to 7.20%.

Canadian dividend and interest payments during May will be approximately $45,000,000. As a large portion of these funds, together with other available funds, will be seeking investment, we suggest that selections be made as early as possible.

*Copy of May Investment List on request.*

**A. E. AMES & CO.**
Established 1889 Investment Securities.
53 King St. West
MONTREAL VICTORIA **TORONTO** NEW YORK CHICAGO

*Telephones: Toronto, Adelaide* 8201; *Montreal, Main* 3050; *Victoria,* 105.

# INVESTORS' INQUIRIES

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

### SILVER BULLION

H. C. H., Newfoundland.—Several people here have received prospectuses from Chamberlain & Co., Montreal, re Silver Bullion Mines. I should be glad to hear your opinion of the same.

Silver bullion mines are located in Gowganda and are regarded as a prospect worthy of the expenditure of considerable money to prove or disprove.

### BUCKINGHAM MINES

W. G. M., Toronto.—Would you give me information in regard Buckingham Mines Ltd., capitalization, shares issued, future prospects?

Buckingham Mines are capitalized at $1,000,000 with 726,672 shares outstanding, according to the last report. Some work has been done on the property but the consensus of opinion is that no real mining effort to test out the property has been made. The issue is not well regarded as evidenced by the market price.

### GOUDREAU GOLD MINES

H. T., Toronto.—The writer would be obliged if you would let him know how you consider Goudreau Gold Mines. Is there any chance of this stock increasing in value?

It is rather difficult to tell how Goudreau stands at present. Most of the stock sold around $1. The company did considerable development and last fall closed the property down to make plans to finance a mill. Nothing has been done, however. According to the owners of the property it possesses considerable merit.

### MANUFACTURERS' LIFE

J. B., Toronto.—The Manufacturers' Life of Canada have been soliciting me to take out some insurance and as this is a company of which I know nothing I wonder would you be kind enough to let me know whether or not they are safe to insure with? My father has also about made up his mind to take some insurance with them so hope that you will be able to let me know one way or the other.

The Manufacturers' Life Insurance Co. has operated in Canada under a Dominion license for many years. The company is safe to insure with and the policies it offers are attractive.

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Toronto Halifax St. John
Winnipeg Vancouver

### BROWN PROCESS

Reader, Brantford.—I write for information in the company selling stock for development of Brown process of extracting aluminum and potash from feldspar. What would you think of such an investment?

Brown Process has been carefully handled. Recently Mr. Brown informed us that he thought his troubles were over. His process was perfected but he had been having trouble getting a working method. This he had achieved and few details remained to be worked out. His discovery is important and should have considerable commercial value. It is to be regarded as a speculation.

### BRITISH CANADIAN MINES

E. S. H., Ontario.—I would like some information re British Canadian Securities. A representative of the company recently sold shares in Foley Mine here at 50c. I would be glad to have your opinion of the mine.

British Canadian Gold mines are putting forth a legitimate effort to develop the old Foley property. Care is being taken in the expenditure of funds and an important development program is under way. Some time ago the mine was completely sampled and showed such startling values that the management decided to resample before making public the figures. The security company is a selling subsidiary.

### MATTAGAMI PULP

A., Toronto.—In view of satisfactory production of the Mattagami Pulp Company, have you any explanation for the fact that the debenture stock is quoted on the market around 15 to 20?

The important point in connection with the Mattagami Pulp Company, and other manufacturers of sulphite pulp, is the distinction between production and profits. While Mattagami's activities have been on a fairly satisfactory scale and production has been keeping up to a good level, it is doubtful if the company has been making much profits. Conditions are unsatisfactory in the sulphite industry and it is a question if any of the sulphite companies are making any considerable net earnings. The price of the debenture stock can no doubt be taken as a fair indication of the company's position in regard to profits.

### BRITISH EMPIRE STEEL

F. T., Toronto.—Some two years ago I bought 75 shares of above stock at $32.00; since that time it has gradually dropped to the present low figure of 9½ I believe. Do you advise my holding same or taking today's figure rather than having a total loss?

While recognizing the uncertainty of the outlook, we do not advise the sale of British Empire Steel stocks around present prices. The plants of this corporation have demonstrated in the past a large earning power, and there is no reason why there should not be a continuance of former prosperous conditions, given good sound direction of the corporation's affairs. After all, that is where the key to the Besco situation lies; in management. It may be the present group in control who will bring the corporation around; it may be another. Investors only hope that the readjustment will not be too long delayed.

### MERCHANTS CASUALTY CHANGE

J. T., Toronto.—As a subscriber and reader of your valued paper I would thank you for some information regarding the financial responsibility of the Merchants Casualty Co. I hold a policy in this company and have been told that they are out of business, having been taken over by some other company after failing. Do you consider them O.K. as far as my present policy is concerned, or would you advise placing the risk elsewhere?

The Merchants Casualty Co. was one of a group of insurance companies controlled by the Zenith Co. The company became involved in the failure of another associated company, the Union Fire & Casualty Co. However, it did not fail, but control was purchased by a group of business men at Waterloo, Ont. The company is now in the hands of men with wide experience in the insurance field and we see no reason why you should drop your policy in it.

### UNION BANK OR WAR BONDS

R. F., British Columbia.—As a holder of ten shares Union Bank of Canada stock, would you suggest selling them at the present low market value and re-investing the money in Canada War Bands or other gilt-edged stock?

When we point out that Union Bank of Canada at 106½ is showing a yield of 7.51 per cent., while Canada War Bonds are showing a yield of 4½ to 5 per cent., you will see that it is rather difficult to advise whether you should sell the former to invest in the latter without considering your position and the class of investment desired. If security is of more importance to you and if you have not already considerable portion of your funds invested in Government securities then we think the change should be made. If, on the other hand, you are in a position to take a measure of risk for a substantially higher return the investment should be satisfactory. The future of the Union Bank is bound up in the future of Western Canada and developments in that country recently have been reassuring as to the ultimate solution of its problems even though actual prosperity may be deferred.

### GOOD BUSINESS INVESTMENTS

A.B.C., Sudbury.—Will you kindly advise if you consider the following stocks good conservative investment of a business man? I am holding $2,000 in 1934 Victory bonds; Ottawa Light, Heat and Power, pref.; Dominion Bank; Canadian Pacific, common; Bell Telephone.

The four investments which you mention are good types of business men's investments. Canadian Pacific Railway is always the most interesting Canadian investment, and one that to-day offers the possibility of excellent returns in the future.

Bell Telephone is in somewhat similar class, being a security with practically guaranteed dividend returns, and a company that is expanding so rapidly as to give promise of additional privileges of value to investors in the future.

Ottawa Light, Heat and Power has undergone a financial re-organization during the past year, but does not denote any financial weakness, but was merely undertaken to relieve this company of somewhat higher fixed charges than were considered necessary. The company is in a rapidly expanding field of service, and its securities are very well protected.

Dominion Bank is, of course, to be regarded in the light of the liability clause, and the somewhat difficult conditions that have been boring the smaller Canadian bank institutions. In holding your bank stocks you must consider also the lack of investment demand generally for this type of security which has a tendency to restrict the market for bank shares considerably.

### ALL GOOD TO HOLD

J.F., Quebec.—I have the following stocks which I purchased at different figures, viz.—Steel of Canada at 79½; Steamships pref. 57½, common 70; Brazilian 50¼; St. Lawrence Flour 135. What is your opinion on the above list, and what would you suggest doing, if any good exchanges to be made? What are the best stocks on the Montreal list to-day?

There is no reason for you to market any of the four securities you have mentioned. Steel Company of Canada has been affected adversely to some degree by the recent changes in the tariff, and it has been suffering from the very keen competition in the iron and steel trade. On the whole though prospects are favorable for Steel of Canada. For Brazilian the outlook is not unpromising.

Canada Steamships is in a much improved condition as a result of the re-organization of the company's financial statement. St. Lawrence Flour stands to benefit from any increase in export trade in the milling line.

Your question as to what are the best stocks on the Montreal list today, is entirely too vague to be satisfactorily answered. Do you mean what are the best speculative buys; what are the best and strongest stocks; or what are the most satisfactory securities for a business man? If you could frame your question in a more definite fashion, we should be glad to answer it.

## PASSIVISM IN CHURCH AND SCHOOL COVERS THE RED HAND

(Continued from page 10)

peace, comes this quotation as the motto adopted by leaders of the league:

"Go to war if you want to, but know this: We have pledged ourselves not to give you our children, not to encourage or nurse your soldiers, not to knit a sock or roll a bandage or drive a truck or make a war speech or buy a bond."

### The Hand of Moscow

And this goes right back to the "Youth Movement," the Illuminati and the instructions of the Third Internationale to Foster. Thus, Moscow runs its hand through these groups without their being aware of it or without thousands of reputable members being aware of what is going on beneath the surface. Dozens of other names could be used in connecting the groups; those given are simply examples.

### "Christian is Patriot"

"The person who hisses the flag is not a Christian," said the Rev. Theodore Kemp, former president of Illinois Wesleyan University, and associate secretary of the commission on international friendship and goodwill of the Federal Council of the Churches of Christ in America, who spoke recently at a noon luncheon of the Chicago commission.

Dr. Kemp, who represents the interdemoninational movement among thirty demoninations in whatever there is of official passivism, declared he was not in sympathy with the attitude of those who say they will not bear arms even in defence of the country.

"I have no authority to speak for the Methodist Episcopal church as a body but precedents show that the denomination has been unalterably loyal and has been in the forefront in the defense of the flag and there is every reason to believe it will act in the future as in the past."

The connecting up of the objectives of the Russian and American groups and actual examples of their daily promulgation in American colleges will be continued in a later story.

### NOVA SCOTIA'S GOOD ROADS

HALIFAX.—Three million dollars were spent on the Nova Scotia highways last year and over $12,000,000 during the past four years, according to the Provincial Minister of Highways.

## Golf As An Investment

There are twice as many golf links in Canada as there were before the war. Canadian business men are going golf-crazy and golf clubs are being organized as rapidly as tire companies were organized a couple of years ago. There must be already $25,000,000 invested in land and buildings used by golf clubs in Canada and the amount spent each year on playing golf in Canada easily exceeds that figure.

There are now nearly 350 golf clubs in Canada. At the first of May last a census was taken by the official organ of the golfers' association, the Canadian Golfer, and 315 clubs were listed. But many new golf clubs were opened during the year and by the end of the year 1923 the figure was undoubtedly close to 350.

### Ontario Has Most Links

Ontario has more golf links than any other part of Canada. It had 104 last summer. Strangely enough Alberta comes second with 51. Quebec has 44 and Saskatchewan 41. The golf bug seems to have bitten a larger proportion of the people in Western Canada than elsewhere in Canada. Some of the reasons are not hard to find. The prairies do not afford the attractions in boating, motoring, fishing, hunting and other sports that are given to the denizens of the East and golf is one of the few sports that can be widely indulged in. Moreover, land is cheap. It is not necessary to pay $1,000 to $1,500 an acre for land for golf links outside the cities of Western Canada.

The other provinces rank as follows as regards golf clubs: Manitoba, 29; British Columbia, 25; Nova Scotia, 12; New Brunswick, 8, and Prince Edward Island, 1.

Toronto has more golf clubs than any other city, with 21. Montreal has 13 and western cities such as Calgary and Edmonton, are well up in the list.

### Much Money Invested

Taking an average of 100 acres of land which is for each course, which is more than is required for a nine-hole course, and less than the amount needed for an eighteen hole course, there are 35,000 acres of land in Canada devoted to golf. At an average value of about $500 an acre, the land represents an investment of $17,500,000. Club houses and improvements probably bring the investment on capital account close to $25,000,000.

With so many golf clubs being organized there has sprung up a class of professional promoters of golf clubs who lease or option the land; sell the stock; see to the appointment of committees; build the club house and golf courses and then step out to start another club. They organize joint stock companies to own the clubs and sell stock. There is a commission to the promoter for the sale of the stock.

With the incessant broadening out of golf, shares of stock in the various clubs have been in keen demand and market values of the shares have enhanced considerably. During the past few years most golf club shares have been good investments. A club started in Montreal two years ago sold stock at $400 a share. It will now fetch $600 a share. Stock of some of the large clubs is worth up to $1,000 or more a share. The increase in value is partially based upon the increment in the value of the land but usually golf club shares rise in value when all the stock has been sold, when the membership is limited and business men are ready to pay a fancy price to get into the charmed circle. There is one club outside of Montreal that required its members to buy units of $2,500 of stock and it is expected that within a couple of years it will cost anywhere from $7,000 to $8,000 to get into this particular club.

### Planning Cheaper Golf

There is a movement now to make golf cheaper. In addition to municipal golf clubs, clubs are being established in connection with real estate subdivisions. One such club leases a large acreage in a suburb of one of the larger cities at the nominal rental of $1 a year. This enables it to sell memberships at $35 and to charge only $35 a year dues. The owners of the property feel that there is an advertising value in having a golf club so close to their subdivision. Another club now being financed is going for golf without frills. There will be no large clubhouse with dining room, ball room, library, dormitories, etc., but merely enlarged locker and shower rooms. Shares sell for $100 with annual fees of $35.

## CURRENT OPINION

### TOURISTS DEMAND SERVICE

(St. John Globe)

THE FINANCIAL POST says "tourist business is good business only after there is reasonable investment made to provide desirable accommodation." This means better hotels, not only in the main centres, but everywhere tourists want to go. Happily, an understanding of the requirements along this line is forced by the automobile, which is constantly opening up larger tourist prospects.

### SYNONYMOUS WITH PROGRESS

(Hardware and Metal)

Commenting on an article which recently appeared in Hardware and Metal setting forth the result of a questionnaire sent out to retail hardwaremen concerning volume of business, size of stocks and profits during a certain period, the English "Ironmonger" states:

"Associated hardwaremen in Canada pay more attention to statistics than do the members of the British Ironmongers' Federation, and they are much more communicative on business matters. The proprietors of Canadian hardware stores are not afraid to disclose their returns, and a good deal of money is spent in collecting data likely to provide information about the general trend of trade."

The tendency among business men in Canada has been, for some time past, toward greater freedom in discussing intimate details of their businesses. They realize that there is little to be gained from secrecy and that it is only by applying the principle of "two heads are better than one" that the greatest progress can be made. That this policy has been successful in recent years is evident from the fact that its adoption has been synonymous with rapid progress in many concerns. One of the important considerations, though, is that merchants apply the lessons learned from such intercourse.

### A DANGEROUS CONTRAST

(Edmonton Journal)

Three income tax schedules have been worked out at Washington and the final result is likely to be a compromise. The finance committee of each house has its own set of figures. Both make the payments on smaller incomes less than those which the plan presented by Secretary of the Treasury Mellon calls for. It is only when an income of $80,000 is reached that the payments proposed by the secretary are less than those suggested by the committees.

But all three make them much less for all incomes than those under the Canadian law which the minister of finance in his budget speech announced will be left unchanged. Subsequently he gave notice that the exemption for dependent children would be increased from $300 to $500, but no hope is held out that the general scale will be altered.

A table has been issued in Washington illustrating how the various plans under consideration there will affect the tax bill of married men with incomes of $3,000 and more who have no dependents.

Those with $3,000 now pay a $20 tax. Under the Mellon plan they would pay $11.25, under that of the committee of the house of representatives $7.50, and under that of the senate committee $7.50. In Canada they pay $40. The corresponding figures for incomes of $4,000 are $60, $33.75, $22.50, $22.50 and $80; for incomes of $5,000 they are $100, $56.25, $37.50, $37.50 and $126. The Washington table then jumps to the $10,000 incomes and we find that on these, Americans now pay $520, while under the Mellon plan they would have to pay $337.50, under that of the house of representatives $265.10, and under that of the senate $207.50. But in Canada the payment is $619.50. On $20,000 the American citizen now pays $1,720, which under the proposed changes would be reduced respectively to $1,237.58, $1,165 and $1,117.50; the Canadian pays $2,089.50. On the incomes beyond this figure the advantage which the American taxpayer will have over the Canadian is quite as marked.

These are startling differences and deserve close consideration by the parliament and public of the Dominion. They cannot be maintained without driving many now resident in Canada to the United States and they must have a serious influence in keeping away from this country many who are thinking of locating here.

## Important for Investors

In response to numerous requests we have just published the 8th edition of an Analysis of 93 leading Canadian preferred and common stocks—revised to April 1st.

Giving 14 important facts regarding each, it will be found most valuable for study and reference. A copy will be mailed on request.

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### THE DEMAND FOR RETRENCHMENT

Port Arthur News-Chronicle

"Make haste slowly in municipal expenditure," appears to be the slogan from one end of the Province to the other, and municipal bodies everywhere are hearkening to the demand. Trimming of appropriations and estimates is going on apace in an effort to cut down the burden of taxation and reduce the rate. In the town of Orillia, for instance, the council has succeeded in keeping the rate down to the same as last year, and the Packet congratulates the council on its record, with increase in county debentures and collegiate institute rates amounting to nearly three mills. The Packet remarks that the long list of petitions for sidewalks, sewers, etc., received last month, indicates that many of the ratepayers have not yet realized that the area of free spending is over for the time being. It is going to be rather hard on some who did not succeed in getting their requirements met during the five years of expansion. But, on the whole, there is no town in Ontario better supplied with sidewalks, sewers, pavements and all the accessories of city life, and it is imperative that for the time being expenditures should be confined to what absolutely cannot be avoided.

Municipal councils in other centres are confronted with the same problems. People insist on a programme of economy and at the same time bombard the council with requests for certain projects which if favorably considered would mean the expenditure of considerable money and an increase in taxation.

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| City of Toronto ............ | 5% | 1932 | 5.25% |
| Town of Walkerville ...... | 5½% | 1927-42 | 5.30% |
| Edmonton School Dist. .. | 5½% | 1963 | 5.65% |

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# NEWS AND VIEWS ABOUT BONDS

## CONSIDER MERITS OF SELLING BONDS OF CITY LOCALLY

### Are Foreign Bond Sales Sign of European Recovery?

Considerable opposition has been voiced at St. John, N.B., to the policy of the city in selling its bonds by public tender to bond houses. Some officials maintain that that city would benefit by selling its bonds locally. On the other hand it is pointed out that the cost of disposing of issues over the counter would in the end reduce the proceeds to a lower figure than the bond houses are willing to pay. Moreover, the city would not receive its money at once in a lump sum, but would be forced to accept it in small amounts over a period of time. In addition the attention of municipal officials would be taken off their regular duties. Defenders of the tender system point to the price of 99.378 received last week as being greater than the net received by the city on the last issue sold locally.

A number of municipal issues sold during the past week brought prices around recent levels. While large dividend and interest payments were made on May 1, dealers report a tendency of business to fall off. With the absence of big issues offerings are being reduced to smaller proportions. Little change in prices is apparent.

The diversion of money from stocks at New York has been a factor in the general improvement of bond prices there. An under-current of feeling that an improvement may be expected in European finances has centred attention on foreign bonds, the position of which is better than formerly. The $40,000,000 loan to the Netherlands and suggestions of further credits to Europe are regarded in some quarters as indicating brighter prospects for economic stability and the necessary credits for commerce.

### Buy St. John Bonds

The Royal Securities Corporation was awarded an issue of $600,000 city of St. John, N.B., bonds at 99.378. The bonds bear interest at 5¼ per cent. and mature $111,000 in 1934, $255.000 in 1939, 94,500 in 1944 and $369,000 in 1954. The bids were:

| | |
|---|---|
| Royal Securities Corp. .. .. .. .. | 99.378 |
| Eastern Securities Co. .. .. .. .. | 99.33 |
| Bell, Gouinlock & Co. .. .. .. .. | 99.17 |
| Macneill, Graham & Co., and C. H. Burgess & Co. .. .. .. .. .. | 98.937 |
| McLeod, Young Weir & Co., and Thomas, Armstrong & Bell .. | 98.75 |
| A. E. Ames & Co., and Johnston & Ward .. .. .. .. .. .. .. .. | 98.56 |

### Moncton Sells Issue

The city of Moncton sold an issue of $100,000 twenty-year 5 per cent. bonds to J. M. Robinson & Sons at a price of 97.90. The tenders received were:

| | |
|---|---|
| J. M. Robinson & Sons .. .. .. .. | 97.90 |
| Colonial Securities Corp. .. .. .. | 97.75 |
| A. E. Ames & Co., and Johnston & Ward .. .. .. .. .. .. .. .. | 96.38 |
| Thomas, Armstrong & Bell .... | 96.052 |
| Bell, Gouinlock & Co. .. .. .. .. .. | 95.77 |

### Award Cornwall Bonds

Bain, Snowball and Co. were awarded an issue of $69,572.25 5½ per cent. 21 year instalment bonds of the town of Cornwall on a bid of 100.697. The bids were as follows:

| | |
|---|---|
| Bain Snowball & Co. .. .. .. .. | 100.697 |
| Nesbitt, Thompson & Co. .. .. | 100.65 |
| Goss, Forgie & Co. .. .. .. .. .. | 100.50 |
| A. E. Ames & Co. .. .. .. .. .. | 100.34 |
| Bell, Gouinlock & Co. .. .. .. .. | 100.30 |
| R. A. Daly & Co. .. .. .. .. .. | 100.27 |
| McLeod, Young, Weir & Co. .. | 100.27 |
| C. H. Burgess & Co. .. .. .. .. | 100.22 |
| Macneill, Graham & Co. .. .. .. | 100.14 |
| Matthews & Co. .. .. .. .. .. | 100.13 |
| Gairdner, Clarke & Co. .. .. .. | 99.92 |
| Wood, Gundy & Co. .. .. .. .. | 99.59 |
| W. C. Brant & Co. .. .. .. .. .. | 98.78 |

### Athens Bonds Awarded

An issue of $40,000 village of Athens 6 per cent., 30 equal annual instalment bonds was awarded to Macneill, Graham & Co. at 105. The tenders were:

| | |
|---|---|
| Macneill, Graham & Co. .. .. .. | 105. |
| MacKay & Mackay .. .. .. .. | 104.75 |
| Municipal Bankers Corp. .. .. | 104.61 |
| Nesbitt, Thomson & Co. .. .. .. | 104.45 |
| Matthews & Co... .. .. .. .. | 104.29 |
| McLeod, Young, Weir & Co. .. | 104.00 |
| McDonagh, Somers & Co. .. .. | 103.80 |
| Bell, Gouinlock & Co. .. .. .. | 103.43 |
| Stewart, Scully & Co... .. .. .. | 103.20 |
| R. A. Daly & Co. .. .. .. .. | 103.11 |
| Bird, Harris & Co. .. .. .. .. | 103.10 |
| C. H. Burgess & Co. .. .. .. .. | 102.71 |
| Bain, Snowball & Co. .. .. .. | 102.586 |
| Standard Bank of Canada .... | 102.53 |

### Buy Goderich Issue

A. E. Ames & Company were awarded an issue of $20,000 town of Goderich 20-year 5 per cent. bonds at 101.07. The proceeds will be used for Hydro purposes. Tenders were:

| | |
|---|---|
| A. E. Ames & Co. .. .. .. .. .. | 101.07 |
| Municipal Bankers Corp. .. .. | 100.516 |
| Sterling Bank .. .. .. .. .. | 100.5 |
| Bell, Gouinlock & Co. .. .. .. | 100.437 |
| R. A. Daly & Co. .. .. .. .. | 100.43 |
| McLeod, Young & Weir .. .. .. | 100.23 |
| Gairdner, Clarke & Co. .. .. | 99.73 |
| A. J. Pattison, Jr. & Co. .. .. .. | 98 |

### Sell Bonds Locally

The city of Woodstock sold two issues of bonds locally, amounting to $37,500. The bonds bear interest at 5½ per cent. and the proceeds will be used for highway expenditure.

## Bond Dealers Discuss Blue Sky Legislation

The Bond Dealers' Association of Canada will meet in Toronto this year on June 12 and 13. The membership of the association is made up of over 100 leading investment firms in Canada. A report on municipal finance will be presented by Mackenzie Williams, of A. E. Ames & Company, and one on provincial legislation will be given by R. A. Daly, of R. A. Daly & Company. The question of blue sky laws will be discussed, as the association is co-operating in an attempt to cut down the flood of questionable securities placed on the market.

Interesting Bond Issues

## Spanish River 8's Near Callable Level

From Our Own Correspondent.

MONTREAL.—May 1 saw the initiation of the annual sinking fund of 2 per cent. on the 8 per cent. bonds of Spanish River Pulp and Paper Company. It also saw the redemption price on the issue reduced from 110 to 107 for the next two years. Both of these events are of some significance. The first indicates a further strengthening in the investment position of the issue, for the sinking fund will have the effect of taking $60,000 a year of these bonds off the market and increasing the equity behind the remaining bonds by that amount yearly. Since these bonds were issued they have been growing in strength without a sinking fund, as some $9,000,000 of bonds ranking ahead of them have been gradually reducing themselves through their own sinking fund operations while the company's liquid position has been steadily improving.

### Redemption Price at 107

The reduction in the redemption price is interesting for it practically prevents any possibility of the bonds increasing much above the present level of prices. The bonds can now be purchased at around 106 to 106½ and with the redemption price at 107 there is little room for improvement. It is apparent, therefore, that those who buy the bond issue will buy for the present yield or for short term investment but not with any idea of profit over and above the expected yield.

There has been some discussion of the possibility of Spanish River carrying out a wide scheme of refinancing that would involve the retirement of all existing bond issues of the company or its constituent companies and the issuance of new bonds to provide the money. Such a scheme if it could be carried through would be of distinct benefit. It would simplify the financial structure immensely and reduce interest charges. It would also relieve the company of a burdensome charge incurred when it was in less strong condition financially than it is to-day. When the company got into difficulties some years ago it made an arrangement with its bondholders and one of the provisions of the arrangement was that 10 per cent. of the amount paid in dividends should be paid as a yearly bonus to bondholders. This arrangement still continues and explains why the various 6 per cent. bond issues of the company are selling at several points above par. A stumbling block in the way of the refinancing plan is the fact that one of the 6 per cent. issues is not callable and it would require the consent of a large proportion of the bondholders to any change in the terms of the trust deed to provide for the retirement of the issue. Nevertheless discussion towards the re-financing plan continues.

### Points About The Bonds

The $3,000,000 of 8 per cent. bonds of Spanish River due in 1941 are almost entirely held in Canada, the bonds are payable only in this country. The bonds are a direct mortgage on all the properties of the company subject to some $9,000,000 of senior bonds. The total net assets of the company amount to $34.257,000 as security for the $12.073,000 of bonds outstanding. Behind the 8 per cent. issue stand $18,066,000 of preferred and common shares having a market value approximately equal to their par value. Dividends at the rate of 7 per cent. have been paid upon both the preferred and common shares regularly since 1920.

The company is the largest producer of newsprint paper in Canada and operates three mills with a total capacity of 700 tons per day of newsprint. These mills are at Espanola, Spanish River and Sault Ste. Marie. Ontario. It owns 11.520.000 acres of timber lands and had developed 57,500 h.p. of water power at its three plants.

So much for the tangible security behind the issue. The company's earning record during the past few years has been satisfactory. During the past seven years the bond interest has been earned three and a half times on the average. In 1923 bond interest on the $3.000.000 8 per cent. issue and all other issues was earned 3.46 times.

At present prices the bonds yield the investor 7.35 per cent. to maturity. At this price they present an investment of recognizable merit and one that is to be regarded as well secured.

## CALL ON VICTORIA TO MAKE PAYMENT ON BONDS AT PAR

### Toronto Investment Firm Replies to Questionnaire of Mayor

VICTORIA.—An echo of the famous "Raymur letters" giving assurance to investment dealers that payments on city of Victoria bonds issued in sterling denominations would be made at par of exchange in Canada and New York was contained in a letter received by Mayor Hayward from the Dominion Securities Corporation, Toronto. The letter, copies of which have been distributed among the aldermen, is a reply to a questionnaire sent out by the mayor.

The letter was signed by J. W. Mitchell on behalf of the bond firm, and contains a full review of the situation at Victoria in 1913, at which time the Dominion Securities Corporation was acting as fiscal agent for the city. The communication states that the firm saved the city from a loss much greater than what they actually sustained through the Raymur letters.

The writer points out that the Dominion Securities Corporation did not concern itself about Mr. Raymur's authority for the letters. In 1910 under similar circumstances he indicated he would consult the council, and the firm therefore assumed he was taking all proper steps at that time.

It is also pointed out that the plan was an accepted usage in the bond business at the time, and was adopted by other cities, including Toronto. Hamilton and Montreal.

For some years the letters issued by Mr. Raymur were honored by the city, and payments were made at par of exchange. Last year the policy was changed and the council refused to make payments at par. In asking that the payment at par be resumed, the letter says:

"That during the period in question we acted as your agents, endeavoring to assist the city in every posible way during an exceedingly difficult period, while subsequently we have consistently co-operated in the endeavor to maintain the city's credit by underwriting and distributing its securities."

This problem has not been confined to Victoria, as many cities have been faced with the same circumstances. The attitude of bond dealers has not been that it is a legal matter, but rather a sound policy to retain the confidence of investors in view of future financing which will be necessary. Cases are numerous where city officials gave assurance by letter that coupons would be paid at par regardless of the current rate of sterling exchange.

A new financial firm, Stoker, Owen and Mathewson, are opening an office in Montreal. The firm will engage in a general investment business, in which field all of the partners are experienced. The company is composed of W. H. Owen, president; T. T. McG. Stoker, vice-president, and Hugh Mathewson, secretary-treasurer. Mr. Mathewson is also a partner of Riddell & Mathewson, members of the Montreal stock exchange; his connection with this latter firm remains unchanged.

### UNLISTED BONDS
(Montreal Stock Exchange)

| | Bid | Asked |
|---|---|---|
| Abitibi 6% 1940 .............. | .. | 96½ |
| Alabama 5% 1962 .............. | 71½ | .. |
| Algoma Steel 5% 1962 .......... | 36 | 37 |
| Ames Holden 6% 1947 .......... | 42½ | .. |
| Belding 5% 1936 .............. | 86 | .. |
| Belgo Can. Paper 6% 1943 ...... | .. | 95½ |
| Brompton 8% 1941 .............. | 108 | 110 |
| Burns, P. & Co. 6½% 1943 ..... | 98½ | 100 |
| Can. National Rly. 5% 1954 .... | 97½ | 98½ |
| Calgary Brewing 5% 1942 ...... | 76 | .. |
| Can. Steamship Lines 7% 1942 .. | 95 | 96½ |
| Can. Light & Power 5% 1949.... | 72½ | 75 |
| Consumers Glass 6% 1935 ...... | 85½ | 88 |
| Can. Nor. Rly. Income 5% 1930. | .. | 51½ |
| Can. Steel Foundries 6% 1936 ... | 98 | .. |
| Dom. Iron 5% 1939 ............ | 70½ | 71 |
| Davies, Wm. 6% 1942 .......... | .. | 84½ |
| Dom. Power 5% 1932 ........... | 91 | .. |
| Dom. Textile 6% 1949 .......... | 100 | 102½ |
| East Koot. Power 7% 1942 ...... | 97½ | .. |
| Fraser Co. 8% 1941 ............ | .. | 105½ |
| Frontenac Brewery 6% 1951 ..... | 87 | 88 |
| G.T.P. 4% 1955 ................ | 72½ | .. |
| G.T.P. Sun. 4% 1955 ........... | 78 | .. |
| Holt, Renfrew 5½% 1937 ....... | .. | 96 |
| H. Smith Paper 7% 1941 ........ | .. | 96 |
| Lake Sup. Paper 6% 1941 ....... | 104½ | .. |
| Laurentide Pow. 5% 1946 ....... | 95 | 96½ |
| Laurentian Pow. 6% 1936 ....... | 95½ | 97 |
| Maple Leaf Milling 6½% 1943 ... | 99½ | 101 |
| Maisonneuve 5% 1954 .......... | 96½ | .. |
| Man. Power 7% 1941 ........... | .. | 99 |
| Mattagami 6% 1937 ............ | 60 | .. |
| Montreal Pub. Ser. 5% 1942..... | .. | 78 |
| Montreal Pub. Ser. 6½% 1924... | .. | 99 |
| Montreal Steel Works 6% 1940 .. | 99 | .. |
| Province of Ontario 5% 1948 .... | 97½ | 98½ |
| Nor. Ont. Power 6% 1931 ....... | 92½ | 93½ |
| N.S. Steel 6% Deb. ............ | .. | 73½ |
| Ottawa Gas 6% 1939 ........... | 100 | .. |
| Ottawa Gas 5% 1934 ........... | .. | 99 |
| Ontario Pulp 6% 1931 .......... | 105 | .. |
| Price Bros. 6% 1943 ........... | .. | 99½ |
| Paton Mfg. Co. 6% 1953 ........ | 94 | .. |
| Provincial Paper 6% 1940 ....... | .. | 100 |
| Porto Rico Rly. 5% 1962 ........ | .. | 64½ |
| Quebec Jacques 5% 1931 ........ | 86½ | .. |
| Shaw. Cotton 6% 1949 .......... | .. | 78 |
| Shawinigan 5% 1934 ........... | 101 | .. |
| Shawinigan 5½% 1950 ......... | 102 | .. |
| Shawinigan 6% 1950 ........... | 103½ | .. |
| South Canada Power 6% 1948 ... | 100½ | .. |
| Spanish River 8% 1941 ......... | 105½ | 106½ |
| St. Maurice Power 6½% 1953 ... | 105 | 105½ |
| Toronto Power 5% 1924 ......... | 99½ | 100½ |
| Wabasso Cotton 7% 1942 ....... | 96½ | .. |
| Windsor Hotel 6½% 1943 ....... | 100½ | .. |
| West. Koot. Power 6% 1943..... | 99½ | .. |
| West. Power 5% 1949 .......... | 87 | .. |
| West. Power 7% 1928 .......... | 98 | .. |
| Winn. Electric 6% 1943 ........ | .. | 92½ |
| Chicoutimi Pulp 6% 1943 ....... | 68 | .. |

## BOND MOVEMENTS OF THE WEEK

Week Ending April 29.

| BONDS | Int. Rate | Due Year | Yield | Range 1923 | | Range 1924 | | Latest Price | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | High | Low | High | Low | Ask | Bid | High | Low |
| Can. Cement .. .. . | 6 | 1929 | 5.97 | 103½ | 100 | 103½ | 100 | — | 100 | 100½ | — |
| Can. Steamship deb.. | 5 | 1943 | 7.29 | 81¾ | 75 | 79 | 70½ | 78 | — | 76¾ | — |
| Cedar Rapids ... ... | 5 | 1953 | 5.18 | 98½ | 93 | 99 | 95 | 99 | 97 | 97¼ | — |
| Cons. Rubber . . . | 6 | 1946 | 6.25 | 102¾ | 98¾ | 99 | 95 | — | 97 | 97 | — |
| Dom. Textile (A)... | 6 | 1925 | 6.00 | 100¼ | 99¾ | 101¼ | 100 | — | 100 | 100 | — |
| Elec. Develop . .. .. | 5 | 1933 | 6.54 | 98¾ | 98 | 97½ | 96 | 96 | — | 96 | — |
| Montreal Trams. . . | 5 | 1941 | 5.80 | 92¾ | 87½ | 92 | 91 | — | 91 | 91¼ | — |
| Ogilvie . .......... | 6 | 1932 | 5.63 | 102½ | 101 | 104 | 101½ | 102½ | 101½ | 102¾ | — |
| Quebec Rly. . . . . .. | 5 | 1939 | 6.70 | 83¼ | 68 | 84 | 80 | 83¾ | 83¼ | 83¾ | 83¼ |
| Sher.-Williams .. .. | 6 | 1941 | 5.79 | 102½ | 99 | 102¼ | 101 | 102¼ | 101 | 102¼ | — |
| Wayagamack . . ... | 6 | 1951 | 7.93 | 86¾ | 75 | 80¾ | 77¼ | 78 | — | 78½ | — |
| Winnipeg Elec. . .. | 5 | 1935 | 6.49 | 94½ | 86½ | 88¼ | 85¾ | 88¼ | — | 88½ | — |
| War Loan .. ... ... | 5 | 1925 | 4.65 | 100.95 | 99.10 | 101.15 | 100.15 | 100.90 | 100.80 | 100.80 | 100.40 |
| Do. .. ..... ..... | 5 | 1931 | 4.88 | 101.80 | 99.80 | 101.90 | 100.15 | 101.00 | 100.90 | 101.00 | 100.55 |
| Do. ... ... ...... | 5 | 1937 | 4.74 | 103.30 | 102.00 | 103.30 | 102.30 | 102.50 | 102.40 | 102.70 | 102.45 |
| Victory ... ........ | 5½ | 1924 | 4.98 | 101.65 | 99.80 | 100.90 | 100.05 | 100.50 | 100.40 | 100.25 | 100.15 |
| Do. ... .......... | 5½ | 1927 | 4.71 | 103.50 | 101.60 | 103.15 | 102.15 | 102.70 | 102.60 | 102.50 | 102.35 |
| Do., ... .......... | 5½ | 1933 | 4.88 | 106.70 | 104.15 | 106.65 | 104.65 | 104.95 | 104.85 | 104.90 | 104.75 |
| Do., ... .......... | 5½ | 1934 | 5.18 | 103.90 | 101.30 | 103.30 | 102.20 | 102.60 | 102.50 | 102.70 | 102.40 |
| Do., ......... ..... | 5½ | 1937 | 4.80 | 108.45 | 106.25 | 108.17 | 106.65 | 106.90 | 106.80 | 106.95 | 106.65 |
| Do., Renewal ... .. | 5½ | 1927 | 5.02 | 102.80 | 100.75 | 101.80 | 101.00 | 101.70 | 101.95 | 101.60 | 101.50 |
| Do., Renewal .. .. | 5½ | 1932 | 5.13 | 103.15 | 100.80 | 102.75 | 101.35 | 102.25 | 102.35 | 102.60 | 102.30 |
| Do., Refund ... .. | 5 | 1928 | 5.00 | 99.70 | 98.80 | 100.50 | 99.40 | 100.10 | 100.00 | 100.15 | 99.90 |
| Do., Refund ... .. | 5 | 1943 | 5.01 | 99.25 | 97.90 | 100.30 | 99.00 | 100.00 | 99.90 | 100.00 | 99.90 |

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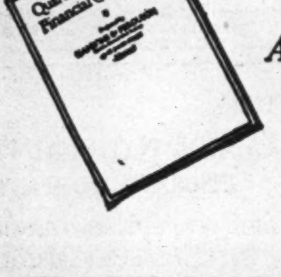

Quarterly Review of Financial Conditions

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## City of Prince Albert
## Saskatchewan

THE City of Prince Albert hereby calls for applications to fill the joint and combined positions of City Clerk, City Treasurer and Chief Accountant.

Qualifications, experience and salary to be stated in applications, which must be received by the undersigned by May 20th next. Duties to commence not later than August 1st next.

G. H. CARR,
Acting City Clerk.

### EXAMINE JARVIS BOOKS

An examination of the books and papers of Ameilius Jarvis & Co., Toronto bond dealers, is being made under a search warrant by auditors from the firm of Clarkson, Gordon and Dilworth. The examination is an attempt to secure further information for use in the prosecution of Hon. Peter Smith, former provincial treasurer, on a charge of conspiracy to defraud the province.

### York Taxes Lower

The tentative budget of York Township for 1924 totals $262,482. It is expected that licenses and fees will yield $112,200 during the year, leaving $150,282 to be levied against the assessable property. The 1924 assessment is $19,187,038. With East York and Forest Hill excluded this year, there is a possibility that the tax rate may be considerably reduced.

# CIVIC AND PROVINCIAL FINANCE

## WAS KITCHENER'S REJECTION OF LOW TENDER JUSTIFIED?

### Council Reversed Action of City Board of Works

The action of the Kitchener City Council in refusing to award a contract for paving to the lowest tenderer, on the grounds that a firm, whose tender was higher, was a local firm, met with strenuous opposition in some quarters and has been the subject of considerable criticism. Three calls for tenders were made. The lowest tender was that of the Brennan Paving Company, it being $49,832, several hundred dollars less than that of the Standard Paving Company, which has done the work for the city for the past three years.

The Board of Works recommended that the lowest tender be accepted and Mayor Breithaupt supported the recommendation, pointing out that the tender of the Brennan Company had been instrumental in bringing down the cost from $3.12 to $2.70 per square yard. However, the council rejected the recommendation and awarded the contract to the Kitchener firm.

While the desire to aid local industry is to be commended, municipal officials and business men generally are strongly opposed to this practice on the grounds that it is fundamentally unfair to encourage a firm to investigate a work at their own expense and tender for it only to lose the award for no reason directly applying to the call for tenders. If such a policy were pursued it would discourage outside firms from tendering and tend to place the municipality in the position of paying higher prices than under open tender.

Although most calls for tender state that the lowest tender need not be accepted, it is usually considered that it should be, unless some very definite reason appears for not doing so, such as the inability of the tenderer to complete the contract, etc. One official suggests that, if local firms are going to receive preference, this should be stated in the call for tenders. In this way any suspicion of influence, which may easily arise in public affairs, may be avoided.

A similar action last fall by the Toronto City Council aroused severe criticism and condemnation. Similarly the practice of the Province of Ontario some years ago in selling bonds without calling for tenders, has given rise to criticism. While a private arrangement may be as advantageous for the public body concerned, the public has no way of determining whether this is so and the way is opened for suspicions of improper influences.

## Municipal Notes

### May Revive Fair

The by-law to raise $750,000 for the revival of the Winnipeg exhibition will be submitted to the citizens for their approval this year. Certain of the aldermen are pressing for an early vote so that an exhibition of a complete character can be given in 1925, and a fat stock show this autumn.

### Lethbridge Taxes Down

The tax rate of the city of Lethbridge will be reduced 1.44 mills this year. The rate will be 45.33 mills as against 46.67 for 1923. This does not include the supplementary revenue tax levied by the provincial government which was 1.875 in 1923. It will probably run up to two mills this year.

### Hamilton Big Buyer

City officials at Hamilton are well satisfied with the operation of the civic purchasing department, which was organized last year. No summary of the activities has been made, but it is estimated that A. P. Kappele, puprchasing agent, bought materials during the year totalling between $1,250,000 and $1,500,000.

### Is Loan Justified?

The Lincoln County Council is appropriating $103,393 for maintenance and repair of roads, of which it is proposed to raise $41,638 by debentures and $61,755 by taxation. The attempt to keep down taxation is welcomed locally, but the wisdom of borrowing to pay for improvements, the duration of which is limited, is doubtful. The rule, which has not been lived up to very carefully by municipalities, that all borrowings for works should be paid off in the time that the works are in use, is sound. Investors in bonds are now inclined to scrutinize operations in this respect more closely.

### Spending as Usual

In spite of the continuous complaints with reference to excessive civic taxation, the council of Winnipeg, at its last meeting approved of the purchase of a new golf course. Travers Sweatman, the president of the board of trade, who has been a strong advocate of economy in the civic administration, declared that the buying of an additional golf course by the city was indefensible. The finance committee of the council had cut out a few items from the estimates of the year including an increase in the sum voted for playgrounds for children and an additional amount for sanitary inspection. Both these items were replaced by the council in the estimates which were then passed.

### Heavy Cost of Loans

The actual cost to the taxpayer of borrowing money for public purposes, which is frequently overlooked, is emphasized by the repayment of a loan by the city of London recently. The amount borrowed was $100,000 for a bonus to the G. T. R. car shops in 1894. The bonds bore interest at 4 per cent. During the thirty years of the loan the city paid $120,000 in interest, which with the repayment of the principal totals $220,000. Many cities set out to build up sinking funds to pay off loans at maturity, but in many cases these have not been kept up to the schedule. As a result the loan is frequently refunded and many years of interest are added to the burden of the taxpayer. It is pointed out by bond men, who are interested in maintaining the credit of municipalities, that the placing of sinking funds on an adequate basis is the first step in reducing taxation.

### London Loses Decision

The decision of Justice Kelly that the 15 mill tax rate levied by the city of London on that part of the city known as the annex includes the school tax, settles a dispute which has lasted about six years, and leaves the city revenues short by approximately $15,000 in each of two years.

The question arose out of an agreement made when the annex was added to the city some years ago that exemption from taxation over 15 mills would be granted for 15 years. The city made a 15 mill levy and attempted to collect school taxes over this amount. Some taxpayers resisted with the result that the case went to the courts. It was discovered that the city could not make an agreement for exemption from school taxes and the city sought to collect these in addition. The present decision upholds the agreement and the right to collect the school tax as well, leaving the general levy as 15 mills less the school tax instead of 15 mills. A deficit of $30,000 will have to be met next year for this purpose unless an appeal is lodged and won by the city.

### Adjust Business Tax

Alleged inequalities in the system of levying business taxes in Winnipeg have resulted in representations to the council for changes. A number of suggestions have been made by J. G. Hay, assessment commissioner, in a report.

He recommended an increase in the fixed rate of the business tax from 6 2/3 per cent. to 10 per cent. of the rental value. To distribute the tax more equitably he proposed a graded assessment for different forms of business ranging from 40 to 100 per cent. of the rental value of premises occupied.

The proposed gradation of businesses provides that retailers will pay the 10 per cent. tax on an assessment of 40 per cent. of the rental value, with others adjusted as follows: Tradesmen, 50 per cent.; manufacturers, 60 per cent.; offices and professions, 75 per cent.; wholesalers, 85 per cent., and banks 100 per cent.

Under the changes retailers will pay 17.1 per cent. of the business levy as against 28.5 per cent.; tradesmen will pay 9.4 per cent. as compared with 12.5; manufacturers 5.4 as against 6 per cent.; offices, and professions 23.4 as against 20.8; wholesalers, 20 as against 15.7, and banks 24.7 as against 16.5 per cent.

## DIFFICULTIES OF SUBURBAN AREAS ARE CONSIDERED

### Expenses Remain High While Revenues Are Decreasing

From Our Own Correspondent.

WINNIPEG.—The municipalities adjacent to the city of Winnipeg recently formed a federation and representatives met at the Manitoba legislative buildings at the close of the week. The municipalities concerned included East and West Kildonan, Brooklands, St. James, Assiniboia, Fort Garry and Transcona.

All of these municipalities face difficulties due to marked decrease in receipts and little or no decrease in expenditures. Costs of operation, including salaries to school teachers and all other employees, ascended rapidly during the war, and the teachers as well as other employees are reluctant to take less now, although many living costs have decreased considerably locally.

The legislature at the last session took all these matter under advisement and named a committee to go into the subject in the recess. This committee is called to meet on May 15 but the date may be deferred owing to the lateness of the spring and seeding.

All the municipalities probably would favor being absorbed into the city so that the burden might be distributed. The legislature has the power to increase the limits of the city and some fight for this change may be made at the next session. Such a proposal would be strongly opposed in Winnipeg.

The federation elected W. D. Bayley, member for Assiniboia in the local house, as the organizing secretary. He will serve to the end of June and will prepare all matter for the legislative committee. W. E. Hobbs, deputy provincial secretary, will be the secretary of the committee of the legislature. Meetings are being held this week in several of the municipalities for discussion and the next meeting of the federation will be held on May 6. None of the municipalities are in default but this is due in several cases to the fact that the province has protected them.

## Charges of Theft Laid Against Two Officials

Further developments in the checking up of the operations of the various departments of the Ontario Government have been followed by the arrest of E. V. Donnelly and Harold Thomas, two officials of the Provincial Secretary's Department. An audit of the accounts of the Department has been made and both officials are charged with the theft of government moneys.

## Red Tape Confronts Would-be Builders

From Our Own Correspondent.

WINNIPEG.—In a fight for a cut in the cost of civic administration it has been pointed out that in the city of Winnipeg if a man wants to build a small cottage, it is necessary for him to visit eighteen different departments before he has full permission to proceed, etc. In this respect Winnipeg is said to occupy a unique position in Canada. There are in all 31 departments in the city service and it is said that the number could readily be decreased by about fifty per cent.

## Practical Difficulty In Public Economies

The struggle of public bodies — governments, city, town and county councils, etc.—to keep expenditures down to moderate levels and the practical difficulties in the situation, are illustrated by the Dundas Star in commenting on a session of the Wentworth County Council. It says:

"All of the members of the county council are anxious that expenditures be kept down, but the trouble is that they all want it kept down in the other fellow's township and not in their own. And when a condition such as that exists what really can be done? And it, of course, usually ends in nothing being done."

TAX RATES FOR 1924

| | | |
|---|---|---|
| Hespeler | 38 | mills |
| Pembroke, Public Sch. | 53 | " |
| Pembroke, Separate Sch. | 56 | " |
| Lethbridge | 45.33 | " |
| Merritton | 39 | " |
| Merritton, Separate Sch. | 41 | " |

## Tenders and By-Laws

### TENDERS WANTED

May 8, Saskatoon.—$244,200, 5½ and 6%, 5 to 30-yr. debentures. Andrew Leslie, City Commissioner.

May 5, County of Renfrew.—$100,000, 5½%, 20-yr. debentures. R. J. Raney, County Clerk, Pembroke. (See announcement on page 16.)

May 10, Sorel.—$160,000, 5½%, 15-yr. bonds. A. O. Cartier, Clerk.

May 5, Village of Giffard.—$21,400, 5½% serial bonds. Joseph Drouin, Sec.-Treas., Giffard, Que.

May 6, Waterloo, Que.—$35,000, 5½%, 40-yr. bonds of Catholic School Commission. R. R. Bachaud, Sec.-Treas.

May 13, Calgary School District. — $87,500.

May 12, Vancouver.—$320,000, 5%, 15 and 40-yr. debentures. A. J. Pilkington, City Comptroller. (See announcement on page 16.)

May 3, Toronto Twp.—$10,000, 5½%, 20-ins. school debentures. J. R. Kennedy, Clerk, Dixie P.O.

**How Much Can Money Safely Earn**

Many are satisfied with 3%. Others seek excessive yields and thereby endanger both interest and principal.

Your money can earn 6 or 7% at present, with ample security. Write for our selected list of Bonds and Preferred Stocks. They have all been submitted to a thorough scrutiny.

Over 22 years Investment experience.

**RENE-T. LECLERC**
Incorporated
Montreal:- 160, St. James St.
Quebec:- 74, St. Peter St.
(ESTABLISHED 1901)
E136

**THIS BOND Yields .... 8%**

The issue is a First Mortgage on property and real estate valued at $1,799,000. This is equal to over seven times the amount of the issue. Earnings are at the rate of four times total interest charges. The security, therefore, is ample. In addition, the Principal, the Interest and the annual Sinking Fund are guaranteed. Payable in New York and Montreal.

*Why not obtain full particulars to-day?*

**CREDIT-CANADA**
Limitée
Established 1910
120 St. James St., Montreal
SEND ME CIRCULAR C-1
Name ..............................
Address ..............................

**MARITIME SECURITIES**
Bought, Sold, Quoted.
Thomas, Armstrong, & Bell
LIMITED
1-3-5 Market Square. St. John, N.B.

**G. A. STIMSON & CO.**
36-38 KING ST. E. TORONTO
GOVERNMENT, MUNICIPAL, AND RAILWAY BONDS
EST'D. LIMITED

We trade in
**UNLISTED**
STOCKS AND BONDS
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6 King St. W., Toronto
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**VERSAILLES-VIDRICAIRE-BOULAIS**
LIMITED
Investment Bankers
MONTREAL QUEBEC OTTAWA
Quebec Municipals and Industrials a Specialty

**MURRAY & COMPANY**
Specializing in
*Government, Municipal and Corporation Bonds*
CONTINENTAL LIFE BUILDING
ADELAIDE 6077-78 TORONTO

ARE YOU IN NEED OF CAPITAL?
We are prepared to assist you in securing the capital you require to make any good proposition successful, either by loan, partnership, syndicate, incorporation or otherwise.
DOMINION BROKERAGE COMPANY,
531N Federal Building, Toronto.
Adelaide 2332.

Spain will soon have automatic telephones patterned after American system, which will be under government supervision though privately owned; installing company capitalized at 1,000,000 pesetas.

## WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES.

| Date— | Place— | Sold To— | Rate | Term | Amount | Price | Basis |
|---|---|---|---|---|---|---|---|
| Apr. 25 | Village of Athens | Macneill, Graham & Co., Toronto | 6% | 30-ins. | $40,000 | 105 | .. |
| Apr. 24 | St. John | Royal Securities Corp., Montreal | 5¼% | 10 to 30-yr. | 600,000 | 99.378 | .. |
| Apr. 25 | Goderich | A. E. Ames & Co., Toronto | 5½% | 30-yr. | 20,000 | 101.07 | .. |
| Apr. 25 | Woodstock | Locally | 5½% | .. | 37,500 | 100 | .. |
| Apr. 16 | Joliette, Que. | Municipal Debentures Corp. | 5½% | 10-yr. | 77,100 | 99.27 | 5.60 |
| Apr. | Chatham, Ont. | Locally | 5¼% | 10 & 15-ins. | 132,735 | 100 | .. |
| Apr. | Moncton | J. M. Robinson & Sons, Montreal | 5% | 20-yr. | 100,000 | 97.90 | .. |
| Apr. | Cornwall | Bain, Snowball & Co., Toronto | 5½% | 21-yr. | 69,572 | 100.697 | .. |

**Your Dividends**

Where do they come from?

Are they all from investment in stocks, machinery, etc.,—

Or—have you made an investment which returns "Human Interest"?

**Group Insurance**

pays dividends. It pays in many ways—but more particularly in dividends of loyalty—co-operation and greater interest in work.

Then, too, it enables you to give your employees something they very often cannot obtain for themselves.

It protects their families from want in case of disability or death.

It reduces your obligation to a business basis.

It avoids "passing the hat" and solves the problem of what you can do to relieve the distress of bereaved dependents—thereby clearly defining the limit of your obligation

You will be under

**No Obligation Whatever**

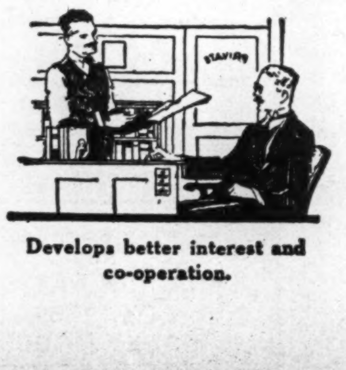
in asking how Group Insurance can be applied in your own case—and the cost is so low as to surprise you.

WRITE FOR PARTICULARS TO-DAY.

**Canada Life**
**Assurance Company**
**Home Office - Toronto**

An investment in human nature pays in many ways.

Protection for your employees and their dependents—



Develops better interest and co-operation.

THE MONARCH LIFE
IS A
GOOD COMPANY
Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

The Leading
Life Assurance Company
of the Dominion

Assurances in force - $630,000,000
Assets - - - $170,000,000

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE-MONTREAL

MAKING LIFE INSURANCE EASY TO CARRY
To make it as easy as possible for those "bearing the burden in the heat of the day" to carry life insurance adequate to their needs—that is the motive of the Mutual of Canada. The company issues annual dividend policies so that the refunds are available year by year to reduce the premiums, or the dividends may be accumulated at interest until, being added to the reserve, the policy becomes paid up or matures. As the company is operated on the mutual principle, the dividends are as liberal as possible, every dollar of surplus being used to lighten the burden of protection. In other words, we aim "to provide the largest amount of genuine life insurance for the smallest possible outlay." This year our dividends have been again increased, and the cost of insurance correspondingly reduced. Our method is economical, equitable and democratic, securing "maximum benefits at a minimum cost."
Assets $59,727,388—31/12/23—Assurances $269,982,566.
THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO - - ONTARIO

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$81,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary
W. H. HUNTER, President
G. R. COTTRELLE, Treasurer

5% Interest Return
INVEST YOUR SAVINGS
in a 5% DEBENTURE of
The Great West Permanent
Loan Company
SECURITY
Paid-up Capital .................. $2,414,663.00
Reserves .................. 1,100,000.00
Assets .................. 6,184,420.00
HEAD OFFICE, WINNIPEG
Branches: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

Shrewd Financiers
recognize the value of Life Insurance as a protection for their Investments and Business Interests.

The
DOMINION LIFE
Assurance Company
a well-established, strong, progressive Canadian Company issues policies to meet every need.

Head Office
WATERLOO, ONTARIO

## GREAT WAR COST $80,000,000,000 GOLD

### Expenditures in National Currencies $208,600,000,000—Debt Comparisons

NEW YORK.—The Bankers' Trust Co. has just issued an analysis of the war and post-war public finance from 1914-1923, under the title "The Inter-Ally Debts," by Harvey E. Fisk, which shows that the war cost $80,680,000,000. The book has been a long time in preparation. In some cases official statements were especially prepared for the Bankers' Trust Co. In all other cases analyses are based upon official statistical publications.

In arriving at the total a vast amount of intricate calculation had to be done. The purchasing power of the currencies of every combatant nation was affected in varying degrees by inflation caused by the use of paper money and credits in financing the war.

Mr. Fisk says: "Taking the figures of each nation as reported from year to year and reducing them to dollars at par of exchange, the expenditures for the war total $208,600,000,000 in currency. To arrive at a uniform basis of statement we have divided the figure for each nation for each year of the war by the wholesale price index number of that nation. Thus we have obtained a statement for each nation in terms of 1913 prices. The sum of these figures, $80,680,000,000, may be called the gold cost of the war."

### H. E. POWER PROMOTED

H. E. Power has been appointed assistant secretary of the Ontario Equitable Life and Acc. Insurance Co., Waterloo. Mr. Power began his insurance career with the Dominion Life, and in his six years' experience he has acquired a thorough grasp of many sides of the insurance business.

# INSURANCE FOR BUYER AND SELLER

## SOLE INSURER IS LIABLE FOR FACE VALUE OF POLICY

### Limiting Clause Only Applies When Concurrent Insurance Exists

The judgment of Mr. Justice Walsh at Calgary, giving the plaintiff under a fire insurance claim the right to collect the full amount of a policy in spite of the fact that it contained a clause limiting the company's liability to 75 per cent. of the value of the property insured, has been the subject of comment in fire insurance circles. The case was that of the Farmers' Fire and Hail Insurance Company versus Philip, and was referred to the judge by the arbitrators. It arose out of the practice of inserting a clause in policies to protect the company from being a party to insuring a property in excess of its value.

The full judgment is as follows:

"The company by its policy insured Mrs. Philip against all direct loss of or damage by fire to her property to an amount not exceeding $2,500. The insured property has been totally destroyed by fire, and arbitrators have been appointed pursuant to one of the conditions of the policy to determine its value and the amount to be paid by the company in respect thereof. They have unanimously fixed the value of the property at the time of the fire at $2,928.17. The insured claims that she is entitled to be paid the sum of $2,500 under the above quoted words of the policy. The company claims that its liability is limited to 75 per cent. of the actual cash value of the property insured, which, upon the above valuation, is $2,196.12. The arbitrators have referred this dispute for the opinion of a judge.

"The only provision in the policy upon which the company relies in support of its contention is the following:

> "Total concurrent insurance including this policy permitted to 75 per cent. of the actual cash value of the property insured."

"There is no concurrent insurance. If there was and the amount of it when added to that effected by the policy in question exceeded 75 per cent. of the actual cash value of the property insured the result might be either to invalidate this policy or to limit the amount of its liability accordingly. The purpose of this provision appears to be to limit the total liability when, and only when, there is concurrent insurance. I am practically asked to read this clause as limiting the company's liability to this specific percentage of loss under every circumstance. The company's contention is in effect that because the insured knew from this provision of the policy that the total amount of insurance permitted in the event of concurrent insurance being placed was only 75 per cent. of the value she should have known that the company could not be called upon to pay her more than that if its policy was the only one issued to her. If that is what it intended to say in this policy, which is undoubtedly of its own preparation, it should have done so in plain and unmistakable language, which this lay-woman could understand, instead of smuggling it into another clause which, on its face, has nothing whatever to do with the question referred to me, and especially when it had in the eariler part of the policy undertaken to pay all direct loss or damage by fire to an amount not exceeding $2,500.

"The insured is upon the arbitrators' finding entitled to be paid $2,500 in respect of this loss. Nothing was said about the costs of this reference. Unless there is any understanding to the contrary and as far as I have power to award them they must be paid by the company."

Managers of some companies are frank in supporting the judgment as being in accord with their understanding of the clause. At the same time it is known that many companies have been in the habit of paying only 75 per cent. of the value on losses where they are the sole insurers. If the judgment stands, it appears that the wording of the clause will have to be changed unless the companies are willing to rely on their own knowledge of each case to avoid overinsuring properties themselves.

In insurance cases the attitude of the courts on questions of this sort has frequently been that the insurance contract is a highly technical document, which the insured seldom understands in detail, and is prepared by the insurance company backed by a knowledge of conditions. Hence it has been held that the company has every opportunity to insert adequate provisions for its protection. Consequently the tendency has been to give the insured the benefit of any doubt at all times. In this case the judge refused to overlook the use of the word "concurrent" in the clause and places on the company the burden of avoiding over insurance in cases where it is the only insurer, and consequently in a position to know exactly how much insurance is in force.

## Cleaning Up Affairs Of Northwestern Life

WINNIPEG. — Notice has been given to the creditors of the defunct North Western Life Assurance Company that they must send specifications of their claims to Salter and Arnold prior to May 6. The arrangement under which the Sun Life takes over the local company has, however, gone into full effect.

### INSURANCE LICENSES

The following licenses have been issued by the Department of Insurance, Ottawa:

The Sun Insurance Office and the Imperial Underwriters Corporation of Can., to sell plate glass insurance; the Fidelity and Casualty Co., of New York, to issue guarantee insurance.

## Established Bureau To Stop Incendiary Fires

In an effort to cut down the abnormal fire losses, especially the increasing number from incendiarism, the Canadian Fire Underwriters' Association has established a new department, known as the Investigation and Loss Information Bureau, with headquarters in Montreal. While the work of the bureau at present covers only the provinces of Quebec and Ontario, ways and means are being devised to make it Dominion-wide.

The plan is to file records of fires in a central bureau, showing names of owners, locations, causes, etc., so that a check may be made on those who have frequent fires. Already many thousands of fires have been recorded.

## TOOK CASH VALUE ON POLICY; DIED IN SEVEN MONTHS

### Choice of Paid-Up Policy Usually Proves Wise Course

The misconception which many policyholders have of the proper use of limited payment life insurance policies is demonstrated by a case reported by the Confederation Life Association recently. Twenty-one years ago one of the company's field men sold a young man in Toronto a twenty payment life insurance policy for $1,000. With difficulty at times, but with unfailing regularity, the insured paid the premiums year by year as they came due.

Some time ago the twenty-first anniversary of the application came. As in the case of many, the goal had been won and the payment of premiums was at an end. The salesman, now a manager for the company, called at the insured's home one evening. Here he found the man with a wife and several children. He proceeded at once to explain to him that the policy was paid up as far as premiums were concerned and that he might allow the policy to continue, protecting his life for $1,000, or take the cash surrender value of slightly over $500. He pointed out that the latter choice would leave the policyholder with no insurance, and strongly advised that the policy be left and the future profits taken in cash each year. The insured was moved to agree, but called his wife to consult her. She stated with emphasis that they had saved to meet the premiums for years and now they wanted to enjoy the money by purchasing a car with it. The agent remonstrated and finally suggested that a new policy be taken out for the same amount, if they were determined to take the cash value. His advice was not heeded, the car was bought. Seven months later what none had expected happened. The husband died from pneumonia. The car was sold to meet the funeral expenses, leaving but a small sum for the widow and family.

The circumstances show a danger which arises from stressing the cash values in insurance policies, which result in destroying the best purposes of limited payment policies. Endowment policies are framed to give insurance protection for a period of years and a cash sum at the end. Limited payment life policies are designed, as are ordinary life policies, to give protection until death. The limiting of the premiums is done to ensure a relief from the burden they impose as nearly as possible during the productive period of the insured's life. Cash surrender values are placed in them to meet emergencies and except in such cases the acceptance of paid up policies is the course to be advised.

## Maccabees Head Speaks Of Insurance Precepts

The extent to which insurance companies and fraternal societies aid in financing municipalities and legitimate enterprises, was referred to by A. W. Frye, supreme commander of the Maccabees, in an address at Toronto recently. Speaking of his own society he said that it is a "home" organization working for better homes and better home conditions. The society has 4,500 tents from which the precepts are carried out. In Ontario alone the Maccabees has $1,337,000 of its reserves invested in municipal and school bonds.

## Life Insurance Sales Show Steady Increase

The irregular trend in business is not reflected in the amount of life insurance being sold in Canada and the United States. Reports received by THE FINANCIAL POST from many companies indicate increases over last year reaching as high as 40 per cent. in one or two cases.

According to the Life Insurance Sales Research Bureau the total sales in March of the companies with nearly 85 per cent. of the insurance in force were $34,388,000 as compared with $28,142,000 the previous year. This represents an increase of over 20 per cent., distributed over all the provinces except Nova Scotia.

It is considered that there are two factors behind the life insurance increases at a time when most lines of business are marking time. The first is the wider application of insurance policies to fit the needs of the public and the increasing appreciation of the benefits to be derived. The other is that the financial position of the individual has shown some recovery from the embarrassed condition of 1921.

## CANADIAN OFFICE OF METROPOLITAN LIFE ESTABLISHED

### Complete Transfer Effected Without Interrupting Flow of Business

The transfer of the entire Canadian section of the head office of the Metropolitan Life Insurance Company from New York to Ottawa in a few hours demonstrates a marvel of complicated business organizations. This company, the largest in the world, has operated in Canada on an extensive scale for a number of years, and now has approximately 1,800,000 Canadian policyholders. The rapid increase in this branch has dictated changes in the head office organization respecting it. Formerly Canada was regarded as one of eight general territories, and the records were kept at New York. Some time ago it was decided to move these records along with a complete head office staff to Ottawa and operate the Canadian business as a separate company in itself. As the head office of such a company contains innumerable records and equipment of all kinds, and communication with hundreds of field men all over Canada is carried on daily, the officials were faced with the problem of making the transfer without losing records and causing confusion and delay on applications and other matters.

### Rehearse New Situation

The feat was accomplished by laying out in the assembly hall of the head office in New York the various divisions of the new Canadian office as visualized by the organizers in conformity with the new office in the Jackson Building, Ottawa. The work was done under the direction of A. F. C. Fiske, third vice-president of the company, who will be in charge of the Canadian company.

With the layout established, desks were moved into the spaces, and signs indicated the character of the various sections and divisions. Meanwhile the Canadian business was being handled undisturbed as of old. Four hundred volunteers were chosen from the main force of 8,000. Late in March these workers of the new company actually took possession of their desks, and a dress rehearsal was staged to see if all phases of the new business were provided for. On the first day of April, Canadian records were withdrawn from filing cabinets and card cases throughout the building and conveyed to the Canadian unit in the assembly hall. Before the day was over the records has been properly distributed and actual work started. It required three weeks to provide for omissions, correct errors and locate the records which inevitably go astray in such changes. As far as is known everything has been accounted for except a single certificate of baptism on the life of one Joseph, aged one, of Sherbrooke, Canada, and if it can't be found the company will send its agent at Sherbrooke to get a true copy.

### Go by Special Trains

At the same time the offices at Ottawa were prepared and much equipment secured in Canada. Certain permanent records were forwarded and located in their proper places. Arrangements for housing the staff at Ottawa were made and a club established as a meeting place. When this process of sifting the records and welding the new staff into a working unit was completed the transfer to Ottawa was made in two special trains. The first unit was that in charge of industrial insurance. This staff completed its work on April 24 in New York, and was served dinner in the company's main dining hall. In the meantime their personal baggage and the records were placed on the special train, and the whole left at 6.50. Work in the Ottawa office was begun the following morning. On the twenty-fifth the staff in charge of ordinary business was transferred in the same way.

### Seek Canadians

The Metropolitan officials, President Haley Fiske announced, plan to make the new company thoroughly Canadian as rapidly as possible, in keeping with their policy, which has been to invest in Canadian securities the premiums paid by Canadians, so that to-day the investments in Canada exceed the premium totals. Already a group of 300 Canadians have been selected, and seventy-one of them actually employed as of May 1. Within a year construction will begin on a Metropolitan office building in Ottawa, which will be designed in harmony with and as an architectural unit of the downtown business district of Ottawa. The site is opposite the parliament buildings and supreme court.

### NEW AGENCY MANAGER

The Northern Life Assurance Company have announced a number of appointments on their field staff, including the following:—J. A. Stewart, to be manager at Toronto; Ludger Tardif as manager of the company's agency at Quebec, and E. S. Gronau as manager at Winnipeg. T. Welsh, a brother of W. Welsh, of Moose Jaw, who has been with the company for some time, takes charge of the business at Winnipeg.

### GOES TO HEAD OFFICE

The Aetna Life Insurance Company has extended its field force into Saskatchewan, and made some adjustments on the staff. A. D. Anderson, who has been in charge of Manitoba territory has been appointed assistant superintendent of agencies at the home office, Hartford, Conn. R. J. Clancy, for several years western manager of the National Life Assurance Company, has been appointed to succeed Mr. Anderson. With headquarters at Winnipeg he will have charge of Manitoba, Saskatchewan, and northwestern Ontario.

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to Estates being administered by it
PAID UP CAPITAL AND RESERVE $1,259,430.36
The Imperial Canadian Trust Co.
Executor, Administrator, Assignee, Trustee, Etc.
Head Office, Winnipeg.
Branches: Saskatoon, Regina, Edmonton, Calgary, Vancouver and Victoria.

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. George, Superintendent of Agencies

FIRE AUTOMOBILE MARINE
British America Assurance Co. (Incorporated 1833)
British Empire Underwriters Agency
St. Lawrence Underwriters Agency
Western Assurance Company (Incorporated 1851)
Head Offices: 22 Wellington St., East, Toronto
INLAND TRANSPORTATION
RIOTS and STRIKES EXPLOSION

Best of them All
There are many safe and profitable investments, but none can "hold a candle" to Life Insurance for protection and service.
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IIA

THE PROVIDENT ASSURANCE CO.
189 ST. JAMES STREET, MONTREAL
Tel.: Main 4310, 4311, 4312, 4313
INSURANCE:
FIRE, AUTOMOBILE, LIABILITY, LIFE, ACCIDENT, SICKNESS, PLATE GLASS, BURGLARY, GUARANTEE, SURETY
Incorporated 1905)

Satisfactory Service Guaranteed
PRUDENTIAL TRUST COMPANY
LIMITED
Trustees, Executors, Administrators, Real Estate and Insurance, Safety Deposit Vaults.
B. HAL. BROWN, President and General Manager.
HEAD OFFICE
PRUDENTIAL TRUST BLDG., Montreal.
Branches throughout Canada and in London, Eng.

When Remitting
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CANADIAN NATIONAL EXPRESS MONEY ORDERS

# MANITOBA'S LIQUOR BUSINESS SUFFERS FROM COMPETITION

## Turnover of Government Liquor Vendors Not As Large As It Might Be

By Staff Correspondent.

WINNIPEG.—Manitoba is not making the money expected or that could be made out of the liquor business. Statements made on several occasions since the government went into the business, have shown that a fair profit is being made on the limited turnover. A review of the situation, however, reveals that the government stores are losing tremendous revenue to bootleggers. There are two reasons for this loss. First, the red tape that must be gone through to secure liquor from the government vendor and secondly, the fact a great many bars are selling liquor.

Under the government system it is necessary to purchase a permit and then go to the store and give an order. The liquor cannot be taken away, but will be delivered, probably the next day. Many want it in a hurry. It is not exaggerating to say that the sales of the hotels alone are in excess of those of the Government vendors, in the large centres at least. This despite the fact that the illicit sales price carries a substantial premium to cover the risk taken. Conditions in the northern part of the province are even worse than in Winnipeg.

In the meantime the Provincial Minister of Works has announced that considerable money will be spent on the Lord Selkirk highway from Emerson to Winnipeg. This improvement has for its main object the providing of an attractive route for American tourists. If the influx is as large as is expected, the increase in liquor sales by the Government stores may be equal to the amount now being diverted into the pockets of others owing to the laxity in enforcing the present laws.

# FAIRBANKS-MORSE PROFITS REDUCED

## Year 1923 Saw Operating Loss Despite Larger Volume Of Sales

From Our Own Correspondent.

MONTREAL.—Canadian Fairbanks-Morse had a good year in 1923 from the standpoint of turnover, but competition in its field of operation was exceedingly keen, and the company lost money. Loss on operation amounted to $163,934, although there was an operating profit in 1922 of about $1,000. Including all deductions, profit and loss account for 1923 compared as follows with the previous year's figures:

| | | |
|---|---|---|
| Profit on oper. .. | ‡$ 163,934 | $ 1,069 |
| xOther profit .. .. | 88,968 | 103,640 |
| Total profits .. .. | ‡$ 74,966 | $ 104,709 |
| Dividends .. .. .. | 90,000 | 90,000 |
| Balance .. .. .. | ‡$ 164,966 | 90,000 |
| §Recd. in surp. ... | 9,520 | 24,777 |
| Balance .. .. .. | ‡$ 174,486 | $‡ 10,068 |
| Spec. Cont. Res. .. | ...... | 100,000 |
| Surplus .. .. ... | †$ 174,486 | †$ 110,068 |
| Prev. surp. .. ... | 2,058,693 | 2,168,760 |
| Total surp. .. ... | $1,884,207 | $2,058,692 |

xFrom sales of machinery, buildings, etc.

§Resulting from forfeiture and cancellation of common stock.

‡Loss.

†Debit.

The company's working capital shows a certain reduction, due to the conditions indicated by the profit and loss statement. Working capital compares as follows:

| | 1923 | 1922 | 1921 |
|---|---|---|---|
| Cur. assets— | $3,599,512 | $3,817,622 | $4,191,391 |
| Curr. liabs.— | 1,721,720 | 1,509,308 | 1,929,495 |
| Work. cap. | $1,877,792 | $2,227,308 | $2,261,896 |

On the subject of 1923 business and the outlook for 1924, the president, Thomas McMillan, says:

"Despite the very keen competition which prevailed in many lines of your company's business throughout the year the volume of sales was increased by $1,080,000 over 1922. As a result of these conditions, however, the margin of gross profit was materially reduced, and to this factor as well as to the difficulty under existing conditions of keeping operating costs to a point commensurate with the revenue derived from sales, is to be attributed the unsatisfactory showing for the year.

"The business of your company for the first quarter of 1924 is showing improvement, shipments being approximately 12 per cent. ahead of the corresponding period of 1923, while profits are considerably better. There is evidence on all sides of a desire on the part of the trade in general to decline business which does not offer a reasonable profit, indicating that it is unlikely that your company will experience a repetition of the unfortunate situation in this regard which prevailed in 1923. Your directors feel that with the reduced expense under which your company is now operating, a moderate measure of success will accrue during the current year followed by increasing prosperity as the development of Canada proceeds."

### BIG ORDER FOR CREOSOTE

SYDNEY.—The Dominion Tar and Chemical Company's plant here is busy just now on an order for 1,000,000 gallons of creosote for the Canada Creosoting Co., at Trenton, Ont. The product is being shipped in tank cars at the rate of 10,000 gallons a day. The local chemical plant takes about 20,000 gallons of tar a day from the Besco works, and the percentage recovery of creosote is quite large.

New Zealand's trade in 1923 was considerably larger than that of 1922, though most of the increase was on the import side.

# RESOURCES OF N. S. ENCOURAGE INDUSTRY

## Power, Coal, Iron and Wood and Strategic Location Factors for Export Business

Staff Correspondent.

HALIFAX.—K. H. Smith, chief engineer of the Nova Scotia Power Commission, declares that the development of hydro-electric power; the availability of coal, iron, and wood; strategic location for export trade—all these factors are in favor of Nova Scotia's industrial progress, and will attract industries. As an example, the A. P. W. Paper Company's erection of a plant at Sheet Harbor and its purchase of timber limits adjacent, due to the power development at Sheet Harbor, is mentioned.

"The power development at Sheet Harbor is an interesting one," Mr. Smith continued. "The one unit now installed develops 5,500 horse power. Of this the A. P. W. Company are using 5,000 horse power. For this they are paying at the rate of $21.40 per horse power per year.

"The completion of two other units this year will increase the total power available at Sheet Harbor to 15,000 horse power. This power will be sold chiefly in Pictou County. It is proposed to sell the British Empire Steel Corporation 13,000,000 kilowatt hours a year for the purpose of electrifying their coal mines in the New Glasgow area."

Asked regarding probable hydro-electric development in the island of Cape Breton, Mr. Smith replied there would be no development there unless to supply the mines at Inverness. "The B. E. Steel plants at Sydney, of course, have abundant cheap power through the utilization of power from their by-products."

"Further power development in Nova Scotia will not be over-rapid," said Mr. Smith. "While building with an eye to future needs, there will be no over-expansion. The Sheet Harbor development, and the possible installation of a plant on the Economy River to look after the needs of Amherst and the mines at Springhill are all that are receiving our present attention. There may be some private power developments, of course, of which the Avon River Power Company, near Windsor, is a recent incorporation. The Power Commission is not concerned with these beyond the granting of a permit for the water rights after the Commission's engineers have given their O.K. on the power which may be expected to be developed."

# A Philosopher in Business That's Beatty of C. P. R.

(Continued from page 10)

thought, for the purpose of giving the railways a few black eyes on questions of rates and regulations. Beatty, not yet 30, was chosen by the C. P. R. to represent it before this body. The newspapers were astounded and summed up their views of the situation by saying that the C. P. R. was trying to express its contempt for the Railway Commission. But Beatty did his work well. He proved his worth when his opportunity came.

In 1913 he was made general counsel for the road, and from gowns of black silk he stepped into the vice-presidency and a directorship, and from there into the presidency—at 41. The first president of the C. P. R. was the man who financed it; the next, the man who built it; the third, the man who organized it; and Mr. Beatty, the fourth, was a lawyer who manages to do all these things well, or have them done well.

It was A. R. Creelman's faith in Mr. Beatty that gave him his start with the C. P. R. It was Shaughnessy's faith in Beatty, more than anything else, that put him in the president's office. Shaughnessy depended on Beatty a lot and swore by him all the time. Beatty's reliability has been a strong asset to him. Given a job to do, he makes himself master of it. In the days when he was climbing through the ranks his superiors could always count on him. And always having the perfect confidence of those above him it was inevitable that he should be called from each post he held to something higher.

### A Master of His Job

Beatty knew the C. P. R. by heart before he became president. He was always a tireless worker, mastering every detail as he went along. Once a reporter asked President Shaughnessy some question about the line. Shaughnessy replied: "My dear young man, I could probably answer your question, but there is a young fellow further down the platform there who can tell you a lot about the C. P. R. that I couldn't."

The reporter looked down the platform and saw Mr. Beatty.

So at 41 Mr. Beatty became president of the C. P. R. "Tommy" Church, mayor of Toronto, sent him a wire, "Very good, Eddie." All the men in Canada tipped their hats slightly to one side to emulate the Beatty "tilt."

The C. P. R. was just about past its great initial stage of construction and success when Mr. Beatty took it over. Beatty's job was to prepare for the after-war years; to make the C. P. R. ready for a new era of growth in Canada. Mr. Beatty's work has been more than that. He has done more than any other man in Canada to give us confidence in ourselves and our country, and to hasten the era of expansion that is ahead. Mr. Beatty is the perfect antidote to blue ruin talk and whisperings of death.

Do Canadians fully realize just how much Mr. Beatty is doing now to give us faith in ourselves? He is delivering addresses from coast to coast that are strong calls to Canada to seize upon its destiny. Mr. Beatty is a man of single purpose, but he has many fine ideas growing out of his one main thought.

### He Works for Boys

Mr. Beatty's hobby is—boys. He is president of the Shawbridge Boys' Farm and Training School in Quebec that is turning hundreds of boys on the highroad to good citizenship, and from the desperate path of failure and worse. He is ever ready to talk to Boy Scouts and other groups of boys. He gives prizes to boys' clubs for cattle raising, and other achievements. Last year he brought a party of boys from Great Britain to Canada and let them visit the agricultural areas of Canada. He is ever working to get other business men interested in boys. The work of making successful men out of underprivileged boys, he told the Rotary Club of Montreal, is not something to be done by parliament. "It requires," he said, "the personal interest and the friendly interest of the man who can compel the respect and regard of the boy."

He has remarked that there is nothing more inspiring or valuable for a boy than to read the intimate, human story of a man who has made good. Mr. Beatty's life itself provides a story of human achievement that will inspire many Canadian boys to success in life. Perhaps, after all, Mr. Beatty's greatest work is along this line—selling Canadians on the opportunities for genuine success in this country.

Success involves the individual. Mr. Beatty is, above all, an individualist. Being such he is naturally against government ownership. "In the largest company, or in the most complex corporation, the driving power of the individual is the key-note of progress. Each one working steadfastly in his own interest not only adds to his own welfare but improves mankind," runs his business philosophy.

Individualism, then, is his fetish, but he decries, nevertheless, unrestricted individualism. "Every man for himself" is only good policy when the harmony and safety of the community is protected. That is why selfish excess in business is condemned by Mr. Beatty, or any business policy, but duty to the public, and service to the community. The immediate purpose of business may be profits, but profits are not incompatible with justice.

Mr. Beatty applies admirably his philosophy to his work. His first aim is the prosperity of the C. P. R., but he never allows that aim to lead his corporation, or himself, away from a spirit of good citizenship.

Loyalty to the C. P. R. means to Mr. Beatty, loyalty to Canada.

# MOVES TO RETURN GERMAN PROPERTY SEIZED BY TREATY

(Continued from page 1)

problem in which our credit internationally is at stake. Canada must look to outside capital for development; if the precedent is now established that Canada appropriates enemy property when at war it will seriously affect Canada's credit.

### Germans Who Lost Out

Examples are quoted of private individuals in Germany who have suffered loss and privation as a result of the action of the Canadian government in seizing their investments in Canada. Typical is the case of an aged German investor who invested large sums in Canada and waited patiently for the end of the war to realize upon these investments. He found then that his property had been taken over by the Canadian government and he was told to apply to his own government for redress. The German government offered him $350 for his valuable Canadian interests. This man felt very keenly that the service he had rendered in the building up of Canada has not been recognized.

Such is the argument for the return of German property; in brief it is that the property rights of individuals should not be sacrificed in disputes between nations.

### The Other Side of The Story

Of course there is much more to the story than the mere recital of the one side of the case reveals. Perhaps a brief resume of the circumstances under which this property was confiscated by Canada might help to clarify the situation.

Under the terms of the Treaty of Versailles, each nation undertook to settle with its own citizens all claims against citizens of ex-enemy countries. Thus Germany undertook to pay German citizens any bona fide claims they had against citizens or corporations in Canada. And the Canadian government, as a party to the treay of Versailles undertook to pay Canadian citizens any money that was owed to them by Germans.

Vice versa, the Canadian government undertook to collect from Canadians any money they owed in Germany and the German government undertook to collect from Germans any money they owed in Canada. A clearing house was to be established in each country to deal with claims and settlements and, of course, there would eventually be an international settling up of the net balances. If Canada found itself with more money than required to meet German demands, the money would be applied against reparations, it was anticipated.

### Germany Takes Advantage

Following out these terms the Canadian government collected from Canadian citizens money owed to Germans. It also took over all investments of Germans in Canada. Germany as a nation was credited with these amounts and it was up to the German government to pay its citizens. But the German government proceeded to pay its citizens in depreciated marks and the Germans found that their valuable investments and accounts were practically worthless to them. Hence the fuss they raised about Canada's confiscation of their property and the demand that their work in upbuilding Canada be recognized. To an independent observer it will probably seem fair that their claim for compensation and recognition should be against their own government and against their own fiscal system which wiped out their investments through mark depreciation and not against Canada, which is but carrying out a contract signed by Germany and itself at Versailles in June, 1919.

### U. S. Case is Different

This disposes of the plea that Canada has confiscated German propety against all precedent; it has confiscated nothing arbitrarily and beyond the terms of the peace treaty. The case of the United States which has decided to turn back enemy property up to a certain value and which is expected to turn back all enemy property is different, for the United States has never become a party of the treaty of Versailles and any arrangements between the U. S. A. and Germany are under the Treaty of Berlin, a different document and which probably varies in its terms regarding the disposal of German property.

At the present time it is understood that there is about $13,000,000 of Germany property being administered at Ottawa by the deputy enemy property custodian. No statement has been given the public of the extent or the method of management of this property and it is therefore impossible to determine what amounts have already been paid to Germans who have been able to prove that investments in their name were really not their own, but belonged to a neutral and which have been released for similar reasons. Undoubtedly the amounts released have been very extensive. Some $40,000,000 it is stated.

### German Agents Active

German agents have camped in Ottawa for the past two years and have engaged numerous lawyers to get individual parcels of property released for various reasons.

The release of such large amounts has caused real concern to one group in Canada. This group consists of the 500 or 600 people who have filed claims with Hon. William Pugsley for damages from Germany for losses during the war. These people feel that even if their claims are passed by the commissioner they are likely to find the matter of collection of the awards from Germany very difficult. They feel that the presence of several millions of dollars of Germany property in the government's hands at Ottawa gives them their only real security for payment of their claims, if awarded, and they are decidedly anxious for this reason that the money should not be returned.

### NEED HAVE LITTLE WORRY

(Hardware and Metal)

Word from London, England, is to the effect that Welsh tinplate manufacturers are apprehensive of the loss of their trade with Canada which they anticipate may result if the Canadian parliament erects a defensive tariff of sufficient height to induce their U. S. competitors to establish plants in Canada. The executive of the Welsh Plate and Sheet Manufacturers' Association has issued a statement outlining how helpful the preference granted by Canada has been in neutralizing the effect of distance.

There are no works at present producing tinplates in Canada, though some negotiations have been carried on with that object in view. Meanwhile competition between U. S. and British manufacturers for this business is very keen. In some cases, notably in B. C., Welsh makers have secured large orders in competition with the U. S. product, though the ability to ship direct by boat to Vancouver may have helped in making sufficiently favorable terms to secure this particular business for the Welsh mills.

One thing sure is that with the present tendency in connection with Canadian tariff readjustment the Welsh tinplate makers need have little worry about a highly defensive rate being applied against tinplate or any other imported product.

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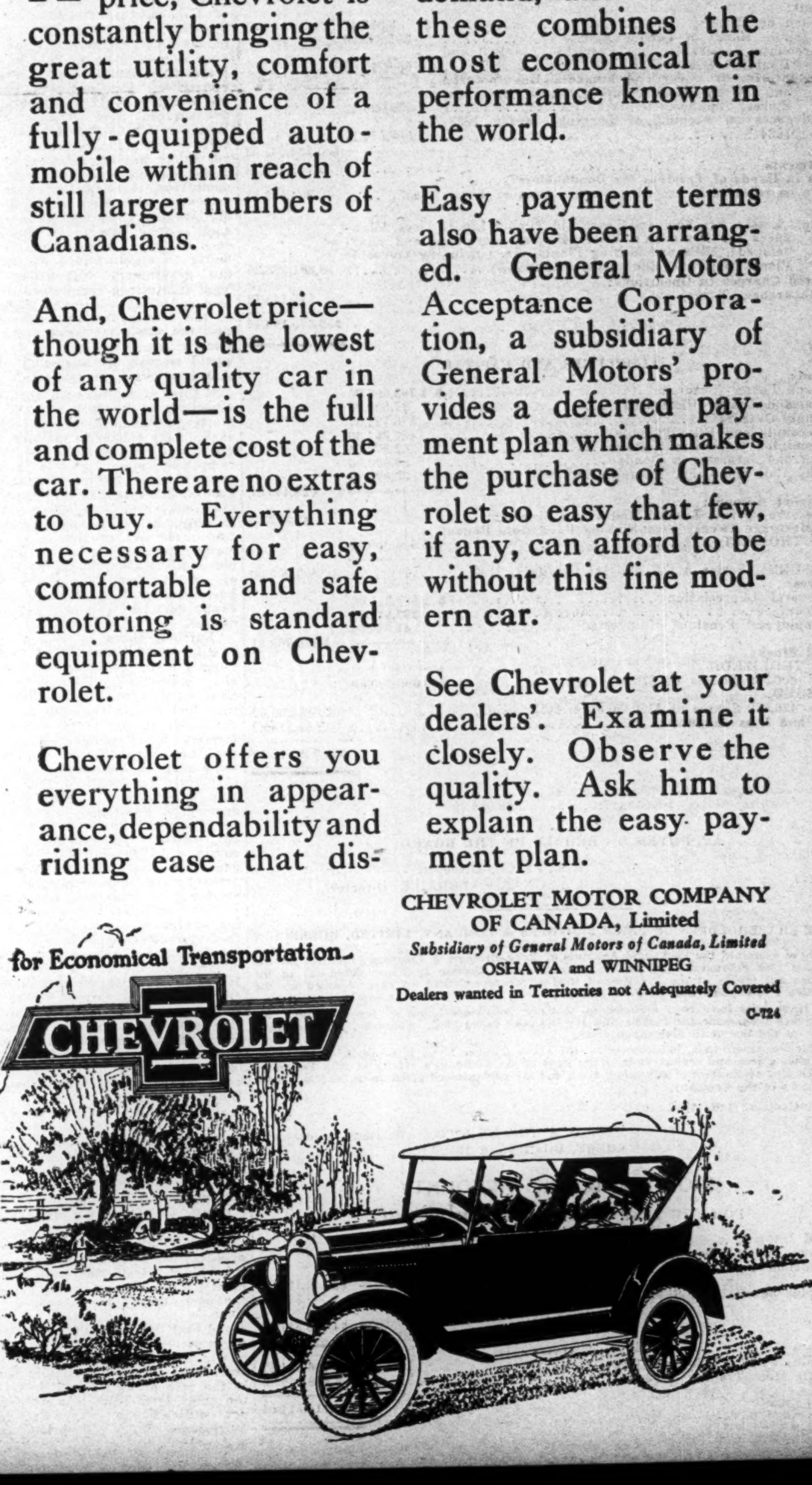

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Subsidiary of General Motors of Canada, Limited
OSHAWA and WINNIPEG
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# Price Brothers & Company, Limited

## REPORT TO THE SHAREHOLDERS

**For the Fourth Fiscal Period from 1st March, 1923, to 29th February, 1924**

Your Directors have pleasure in submitting the Accounts of the Company (and its Subsidiary Companies) for the fourth fiscal period of the Company's operations (i.e., from the 1st March, 1923, to 29th February, 1924).

| | | |
|---|---|---|
| The Profits for the year, after providing for Income Tax, amounted to | | $3,408,966.82 |
| To which falls to be added:— | | |
| The Balance brought forward from the previous period | | 706,544.22 |
| | | $4,115,511.04 |
| From this has been deducted:— | | |
| Bond Interest | $ 551,515.13 | |
| Allowance for depreciation of the Company's Properties and depletion of Timber Limits | 1,142,013.64 | |
| Distribution among Shareholders, being Dividends totalling 2% | 853,664.00 | |
| | | $2,547,192.77 |
| Leaving a Net Balance to be carried forward of | | $1,568,318.27 |

These results, in the opinion of your Directors, are satisfactory, and coupled with the position of the Company, as disclosed in the attached Balance Sheet, would reflect conditions as being nearer normal than for the previous two years.

During the year under review, the returns from the Lumber Branch of the business show satisfactory profits and practically no stocks on hand.

The extension to the Company's Kenogami Mill is nearing completion.

The plans for the second mill are practically completed and construction will be commenced this spring.

The choice of location of the third mill is practically decided upon and a certain amount of preparatory work has already been done.

After a careful study of the Company's wood resources your Directors are of opinion that a fourth mill will be required to be built.

The general condition of the physical assets of the Company has been well maintained.

The Hydro Electric Development of the Grand Discharge Power by the Quebec Development Company, Limited, in which your Company has a twenty-five per cent. interest, is proceeding in accordance with programme.

All expenses in connection with the redemption of the old Bond Issue and the issuing of Series "A" of the new authorized $25,000,000.00 First Mortgage Twenty Year Sinking Fund Six Per Cent. Gold Bonds have been written out of the Accounts of the Company.

The Auditors, Messrs. Creak, Cushing & Hodgson, C.A., and Messrs. George A. Touche & Company, C.A., retire at this time, and being eligible offer themselves for re-election.

On behalf of the Board,

WM. PRICE, President.

Quebec, 28 April, 1924.

## PRICE BROTHERS & COMPANY, LIMITED

### *CONSOLIDATED BALANCE SHEET at 29th FEBRUARY, 1924*

**ASSETS**

| | | |
|---|---|---|
| **Current:** | | |
| Cash on Hand | $ 3,597.47 | |
| Cash in Hands of London Agents | 301,232.96 | |
| Accounts Receivable, less Provision for Bad and Doubtful Debts | 960,712.61 | |
| Inventories of Paper and Lumber (Manufactured and Partly Manufactured), Raw Materials, Stores, Supplies, etc. | 2,909,926.42 | |
| Advances on Account of Logging, Season 1923-1924 | 1,388,574.17 | |
| | | $ 5,564,043.63 |
| **Investments** | | 2,088,392.14 |
| **Funds in Hands of Trustees for Bondholders:** | | |
| To be released in accordance with terms of Trust Deed | | 384,585.74 |
| **Fixed:** | | |
| Real Estate, Freehold and Leasehold Timber Limits (less Allowances for Depletion), Water Powers (developed and undeveloped), Mills and Milling Plants, etc. (including moveable Plant Tools and Equipment $453,205.78) | | 50,891,028.26 |
| **Deferred Charges to Operations:** | | |
| (Insurance, Taxes, etc.) | | 147,140.72 |
| | | $59,075,190.49 |

**LIABILITIES AND CAPITAL**

| | | |
|---|---|---|
| **Current:** | | |
| Bank Loans (Secured) | $ 1,793,000.00 | |
| Demand Loans (Unsecured) | 27,000.00 | |
| Bank Overdrafts | 475,721.67 | |
| Accounts and Bills Payable | 487,857.90 | |
| Dominion Government Taxes | 162,377.61 | |
| Accrued Interest on Bonds | 50,000.00 | |
| Pay Roll and Other Charges Accrued | 33,492.13 | |
| | | $ 3,029,449.31 |
| **Contingent Account:** | | |
| Reserve against Lumber and Paper Shipment | | 47,453.10 |
| **First Mortgage Twenty Year Sinking Fund Gold Bonds:** | | |
| AUTHORIZED | $25,000,000.00 | |
| ISSUED: Series A 6% due 1st February, 1943 | | 10,000,000.00 |
| **Reserves:** | | |
| General Depreciation | $ 1,571,311.00 | |
| Insurance | 133,814.77 | |
| Employees' Pensions Uninvested | 41,644.04 | |
| | | 1,746,769.81 |
| **Capital Stock:** | | |
| AUTHORIZED: | | |
| 600,000 Shares of $100.00 each | $60,000,000.00 | |
| ISSUED: | | |
| 426,832 Shares of $100.00 each, fully paid | | 42,683,200.00 |
| **Profit and Loss Account** | | 1,568,318.27 |
| | | $59,075,190.49 |

NOTE:—Contingent liability in respect of Bills under Discount............ $3,000.00

**APPROVED ON BEHALF OF THE BOARD:**

WM. PRICE, Director.
J. LEONARD APEDAILE, Director.

**TO THE SHAREHOLDERS OF PRICE BROTHERS & COMPANY, LIMITED, QUEBEC:**

We have examined the Books and Accounts of Price Brothers & Company, Limited, for the year ended 29th February, 1924, and in accordance with Section 1, Clause 6030d (2) of the Companies Act (1920) of the Province of Quebec, we report that we have obtained all the information and explanations we have required.

The Inventories have been certified to us by responsible officials of the Company. No provision has been made for Income Tax for the year ended 29th February, 1924, payment of which is not due until 30th April, 1925.

We further report that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at 29th February, 1924, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

Dated at Montreal, 14th April, 1924.

GEORGE A. TOUCHE & CO. Chartered Accountants,
CREAK, CUSHING & HODGSON, Auditors.

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 29th FEBRUARY, 1924**

| | | |
|---|---|---|
| To Bond Interest | $ 551,515.13 | |
| " Allowances for Depreciation and Depletion | 1,142,013.64 | |
| " Dividends Paid | 853,664.00 | |
| | | $2,547,192.77 |
| " Surplus per Balance Sheet | | 1,568,318.27 |
| | | $4,115,511.04 |
| By Surplus at 28th February, 1923 | | $ 706,544.22 |
| " Profit from Trading Account | | 3,408,966.82 |
| | | $4,115,511.04 |

# Legislative Interference as a Factor in Farm Interest Rates

### Dr. Tory Suggests That the Governments and the Representatives of the Mortgage Companies Get Together in Considering the Problem—A Real Need for Providing Loans for the Farmer

**From Our Own Correspondent.**

OTTAWA.—Dr. Tory's report on agricultural credit, which subject he has for some time been investigating for the Dominion Government, takes up 90 pages of closely printed type. There is very little waste matter in it, and it covers pretty well the field in so far as telling what the various governments of the world have done to provide credits for agriculture.

Under the title "Rural Credit in Europe," long term or mortgage credit, and short term or personal credit are described. In the chapter on "Rural Credit in the British Empire outside of Canada," the systems in the United Kingdom, Australia, South Africa and New Zealand are dealt with. Then "Rural Credit in the United States" is discussed. Under long-term credit the federal land banks, the national farm loan associations and joint stock banks are considered; while under short-term or intermediate credit the federal intermediate credit banks and the national agricultural credit corporations are reviewed. Under "Rural Credit in the Dominion of Canada," the situation in eight of the provinces is described.

Chief importance attaches to Dr. Tory's conclusions. On the subject of political interference in the working out of credit schemes he says:

"There can be no question, I think, that in the administration of institutions directly dealing with governments, the dangers of political interference and of consequent loss to the treasury is very great. Even in the United States the work of the Farm Loan Board, removed as it is from the direct control of the government, has suffered because men in public life have deemed it to their political advantage to speak critically of its policies without making an effort to get a knowledge of the facts.

"When we come to consider the question of long term credit from the point of view of Canada as a whole, we are faced with the fact that the organization of a truly Canadian character has been developed. It is freely stated by those engaged in the farm mortgage business that none is necessary, that there is sufficient competition already in the business to take care of all the requirements of the country.

"It is further claimed that the restrictions by way of taxes and priorities over mortgages have become so great in some, at least, of the provinces of Canada, that freedom of action is practically denied mortgage companies in carrying on their business. It was even suggested to me that with greater freedom of action and freedom from restrictions the mortgage business of the country could be done at one to two per cent. less cost than at present. Whether this be true or not, it is difficult to exactly determine. I have not yet found any lender who was willing to commit himself definitely to an agreement that, if restriction were removed prices on mortgages would be reduced. My judgment is, this is a matter of such serious importance that a conference between representatives of the mortgage organizations of Canada and the government responsible for the legal limitations complained of and the leaders of the farmers' organizations in the country should be held to discuss the whole matter and see whether some scheme could not be devised that would remove the suspicion and doubt that has arisen in connection with it.

"I think it cannot be denied, referring especially to Western Canada, that the mortgage business is conducted in an exceedingly expensive manner, and that reasonable co-operation between loan companies might greatly reduce the present cost of administration. The Federal Land Banks of the United States are to-day conducting their business on a margin of one per cent. and are setting aside out of that a considerable margin for possible losses. Figures are not available for Canada as to the cost of administering the farm mortgage business, but I think there can be no doubt that it is much beyond these figures.

"Further, there is without question, a considerable number of farmers in Canada who, following the urgent advice given during the war and at the close of the war to continue production, find themselves, due to the heavy deflation, in the same position that farmers found themselves in England and the United States, and for whom some plan of amortization of loans is absolutely necessary, if they are to be able to continue on the land. This demand is being met to-day only in a very limited degree. It is very doubtful whether the provinces alone can continue to develop long term mortgage business without taking risks greater than they should take in connection with their own financing.

"Now, while I am firmly of the opinion expressed by Sir Horace Plunkett, that agriculture must be a self supporting industry, I believe with equal confidence that there is a need in Canada for some organization co-ordinating the credit which the farmer has to offer in such a way as to make it more attractive to the man who wishes to loan his money at a reasonable rate of interest with proper security. Every country in the civilized world has ultimately been compelled to take such a step. When it is remembered that two per cent., under the ordinary amortization scheme, will amortize a farm mortgage in twenty years, therefore, a reduction of two per cent. in interest is equivalent in thirty-five years to the capital debt, the significance of the foregoing statement will be apparent.

"With regard to the organization of short term credit in Canada, I think there can be no doubt that some reorganization in connection with it must take place. I do not wish any statement I make to be taken as criticism of the operation of the banks in Canada. That is not my business. I have no doubt that the statements made by bank organizations as to the losses they have had in the last few years are absolutely true, but I think it is equally true that, in the case of well established farmers, the short term bank loan at present is not sufficient to carry the farmer's operations. Many of the leading bankers of the country admit this to be so.

"There can be doubt that the establishment in Canada of a Short Term Credit System based on the formation of loan associations for co-operative purposes would be much more difficult than in most European countries, or even in the United States. The uniformity of the population and the permanency of family relations create in those countries the exact conditions under which co-operative methods flourish. Yet, I think that experience has already shown that a sound plan along these lines could be worked out under proper supervision and control. It would be a definite step towards the realization ultimately of financial control and, therefore, independence by the farmers themselves. Discounting facilities would have to be provided by some central agency either a corporation specially created, as suggested by the president of the Canadian Bank of Commerce, or organized, and to some extent at least, capitalized by the Government, as in the United States, and in France. This would be absolutely necessary, unless, through the organization of provincial savings banks, sufficient money could be found, a very doubtful contingency for some years to come.

"One word in conclusion ought to be clear to anybody that Canada is slowly passing through the stage in her agricultural development that the United States was passing through some years ago, viz., the best lands of the country have been taken up, wealth accumulating from the rise in land prices will, in a large measure, cease, and land mortgages based on growing prices will be harder to get. I have no doubt that competition from the United States so far as cereals are concerned will grow less and that, in spite of high tariffs, the United States must buy from us eventually, but competition from a revived Europe and other parts of the world will increase. If we desire to have Canadian agriculture maintain its place in world competition in the future, the time to begin to plan for the rational administration both of its finances and its scientific development is the present."

The suggestion is made that if the government deems it wise to provide for a system of long and short term credit during the present session the study of the problem should be continued. If it is considered wiser to wait for further maturity of opinion on the subject then as the time given for the preparation of the report has been short, the suggestion is made that the writer, Dr. Tory, be permitted to continue the study during the interim.

# Easter Holidays Cut Into the Car Loadings

OTTAWA. — There were 50,544 cars of revenue freight loaded in Canada week ending April 19, as against 53,091 cars loaded during the previous week, being a decrease of 2,547 cars of 5 per cent. The largest decreases were in the eastern division in merchandise, 1,258 cars, and in pulpwood, 1,254 cars; lumber and other forest products also showed decreases. These latter are more or less seasonal fluctuations. In the western division coal loading continued light but grain loading showed an increase of 1,678 cars, due in part to the removal of restrictions on grain for Fort William and Port Arthur, April 10. The holiday on Good Friday undoubtedly had an effect on loading in general. Compared with the corresponding week last year there was a decrease of 2,414 cars.

# NEW BILL CURBS BRANCH BANKING

### National Banks Can Only Have Branches in Own Cities and States Permitting Branches

WASHINGTON. — The so-called "McFadden bill," with important amendments to the national banking law will probably be passed and approved at an early date. It has been favorably reported by the House Currency Committee. The bill prohibits branch banking outside of city limits by national and state member banks of the Federal Reserve system. Under the terms of the bill no state bank can hereafter convert into or consolidate with a national bank and retain in operation any branches which it may have outside of city limits. No state bank can become a member of the Federal Reserve system without giving up any branches it may have in operation outside of city limits.

National banks and state member banks are permitted to have branches in those states which permit branch banking by law or regulation but only in cities having a population in excess of 100,000 except that such banks may have one branch in cities in such states where the population is from 25,000 to 50,000 and two branches in cities where the population is from 50,000 to 100,000.

Branches of national banks can only be established with the approval of the Comptroller of Currency and by state member banks only with the approval of the Federal Reserve Board. The bill does not affect existing branches of state member or national banks in cities or outside of cities which they may have in operation at present.

# Gambling and Investing

(Continued from page 4)

exist through their very form long after the original creators have passed away, have become so established in the confidence of the people through their belief in the stability of the enterprise and its management, that their stocks and their bonds have become recognized as safe investments, and into these securities vast amounts of accumulated capital of hundreds of thousands of small investors have been safely and wisely placed. A man with $100 may buy a share of the capital stock or acquire a loan from one of these corporations secured by a mortgage on its property, and while he may be earning his daily cash by the labor of his hands, his $100 is being managed for him by the ablest brains and under the soundest conditions that the country can furnish, and he, as the owner of that small amount, has benefit of all this expert ability in the management of his $100, just the same as his neighbor who may have $1,000,000 in the same company. So, the corporation has not only been of tremendous benefit in making possible the accumulation of capital for the upbuilding of the resources of the country, but it has likewise been of untold benefit in the conserving of the savings of the people, under the management of men of the highest abilities and in proven enterprises.

The growth of corporations has had another effect—it has made possible unexampled opportunities for young men and there is no limit of achievement to which they may aspire, excepting the limit of their own endeavor and capabilities. It is very easy to employ all the men necessary for section work on a railroad. It is not hard to select from their number men who are capable of being section bosses. From the best of the section bosses there are always some who may satisfactorily fill positions of division superintendent. Of the division superintendents there may be one or two who are capable of filling the office of the general superintendent, but when you are looking for a man capable of becoming the president of the great railroad, or general manager, he is exceedingly difficult to find. This is true in all great corporations and there are men capable of filling the highest positions in these corporations and there is a constant and crying demand, for greatest difficulty that an executive of such corporations has, is to find men of sufficient ability to fill the best positions in his reorganization. It is much more difficult to build an organization and to find the material for its leadership of men, than to build the plants and properties of the business. Almost any executive, if he were forced to the choice, would give up his plants and retain his organization, rather than the opposite. The old saying, "there is room at the top" was never truer than it is today, and the only limitation to any young man, rich or poor, is the limitation of his own hard work, coupled with his natural intelligence, ability and character. Some men are paid for what they know and other men are paid for what they do; few have the ability to create and direct, and many have only the ability to carry out the instructions of others.

Modern corporate organizations are of three classes—public, semi-public and private. The public corporations are those of governments, states, counties, cities, towns, school districts, etc., which are the combined interests of all the people. The semi-public corporations include the railroads and various public utility corporations which are operating, to some extent, under rights granted them by the governments, such as the right of eminent domain, in the case of the railroads, where, under governmental authority they are allowed to acquire property necessary for their use at a fair price, even if the owner may not desire to sell, and, in the case of street railways, where cities give them the right to use city streets. In return for these rights which the government has granted them by representative authority of all the people, it is proper that such semi-public corporations be subject to some governmental supervision as to their service to the people, their rates and otherwise. The third class, or private corporations, includes generally most of the great industrial corporations engaged in the manufacture and sale of commodities to the people.

### Single Fundamentals

The financial structure of these semi-public and private corporations sometimes appears complex, and yet it is based on the two simple fundamentals of money furnished for ownership and money furnished on loans. A corporation may be organized and sell its shares of stock, representing the ownership of that corporation, to a few or to a great many people and frequently these shares, being transferable, are thereafter bought and sold through the stock exchanges or otherwise as securities in the open market. There are certain corporations who have shareholders to the number of hundreds of thousands and their stock, representing these shares, is traded in back and forth, every day, in large volume. These stocks may be divided into different classes, the most common of which are the preferred and common stocks. Preferred stock is usually restricted to a specified dividend return and its dividend is payable to the full amount, even if nothing may be left out of the earnings to pay dividends to the common stockholders. Preferred stock usually has a prior claim on assets of the corporation, over the common stock, and if it should be necessary to close up and liquidate the business, the preferred stockholders would have to be paid their principal in full before the common stockholders would receive anything. The common stock, in return for giving up these privileges to the preferred stockholder, is not limited in the amount of dividends it may receive out of the earnings, and if the business is very successful it would probably pay larger dividend return on the capital invested in the case of the preferred stock.

Such corporations frequently find it necessary to borrow money. This may be done generally in two ways, the first of which is by making temporary loans from banks for temporary working capital. For instance, a manufacturing corporation may have large orders for their product and may need to borrow money to pay for their raw material and their labor, until such a time as the manufacture is completed and the product delivered and paid for. In practice, many corporations—including railroads, public utilities and private organizations—have found it feasable to obtain capital in more permanent form, by placing mortgages on their property and issuing bonds secured by such mortgages, which bonds are sold in small denominations to the general public. These bonds may be of various classes, including what are in effect first mortgages, second mortgages or in some cases what are really third and fourth mortgages under various names, and may cover various classes of property. For instance, the railroads have large bond issues outstanding, secured by mortgages on the railroad property itself, but frequently they have other mortgages on their equipment or, in some cases, on their terminal properties in cities.

In addition, therefore, to the bonds issued as promises to pay by our government and municipalities, there are these various corporation issues in the way of preferred stock, common stock and various classes of bonds, which are open for public investment and are generally classed as "securities."

# City of Vancouver, B.C.

## DEBENTURES FOR SALE

**SEALED TENDERS** will be received by the undersigned up to 12 noon on Monday, the Twelfth day of May 1924, for the following City of Vancouver Debentures, dated 1st February 1924, amounting to $320,000.00:

| By-Law No. | Amount | Term | Purpose | Maturity |
|---|---|---|---|---|
| 1614 | $120,000.00 | 40 years | Bridge Reconstruction | 1st Feb. 1964 |
| 1615 | $200,000.00 | 15 years | Streets and Roads | 1st Feb. 1939 |

all bearing interest at the rate of 5% per annum, payable half-yearly on the first days of February and August.

These Debentures are a direct obligation of the City at large. Provision can be made for registration of principal.

Alternative offers on the basis of interest and principal payable in Canada only, and in Canada and the United States, are asked for.

Parties tendering are required to state the net price for Vancouver payment and delivery of the securities. If desired delivery will be made elsewhere at the purchaser's expense.

A certified cheque, payable to the City Treasurer, for $5,000.00 must accompany each tender.

The highest or any tender not necessarily accepted.

A. J. PILKINGTON,
City Comptroller.
City Hall, Vancouver, B. C.

# Debentures For Sale

TENDERS will be received by the undersigned up till noon, Monday, the 5th day of May, 1924, for the sale by the Corporation of the County of Renfrew. The following are the particulars: $100,000.00, 5½%, 20 years, for permanent works on their highways. Debentures dated the 6th day of May, 1924. In 20 yearly annual payments at the Pembroke Branch of the Bank of Nova Scotia. Debentures issued in one thousand dollar lots and odd amounts.

No tender necessarily accepted. Mark envelope "Tenders."

Dated this Sixteenth day of April, A.D. 1924.

R. J. RONEY,
County Clerk.
Pembroke, Ontario.

# THE CANADIAN BANK OF COMMERCE

**Dividend No. 149**

NOTICE IS HEREBY GIVEN that a dividend of Three per cent. upon the capital stock of this Bank has been declared for the quarter ending 31st May, 1924, and that the same will be payable at the Bank and its Branches on and after Monday, 2nd June next.

The Transfer Books of the Bank will be closed from the 17th May to 31st May next, both days inclusive.

By Order of the Board,

JOHN AIRD,
General Manager.
Toronto, 11th April, 1924.

# The Bank of Toronto

**Dividend No. 171**

NOTICE IS HEREBY GIVEN that a Dividend of Three Per Cent. for the current quarter, being at the rate of Twelve Per Cent. per annum upon the Paid-Up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its Branches on and after the SECOND day of June next to Shareholders of record at the close of business on the 15th day of May, 1924.

By order of the Board.

JOHN R. LAMB,
General Manager.
The Bank of Toronto, Toronto,
April 16th, 1924.

**DIVIDEND NUMBER 123**

# Hollinger Consolidated Gold Mines, Ltd.

**(No Personal Liability)**

A DIVIDEND of 1% on the outstanding capital stock of the Company has been declared payable on the 19th day of May, 1924, on which date cheques will be mailed to shareholders of record at the close of business on the 1st day of May, 1924.

Dated the 24th day of April, 1924.

D. A. DUNLAP,
Treasurer.

# BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent., upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after Monday, the SECOND day of JUNE next, to Shareholders of record of 30th April, 1924.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 25th April, 1924.